

AN ANALYSIS
OF
AGRICULTURAL DISCONTENT
IN THE
UNITED STATES

BY
CHARLES FRANKLIN EMERICK, A.M.

SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN THE
FACULTY OF POLITICAL SCIENCE
COLUMBIA UNIVERSITY

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AN ANALYSIS OF AGRICULTURAL DISCONTENT IN THE UNITED STATES. I.

INTRODUCTION.

THE closing years of the nineteenth century are witnessing the unusual spectacle of restless discontent on the part of the tiller of the soil. Nearly every civilized country has its agrarian problem in one form or another. In England few expressions are more familiar than that of agricultural depression. Germany has a storm center of agrarian difficulties. Even the peasants of France, concerning whose stoical contentment and conservative influence in political affairs so much has been said,¹ have in recent years become aroused, and clamor for activity in behalf of their interests on the part of the government. A similar state of affairs appears to exist among the farming classes of the other nations of Europe. A writer in an English periodical² in 1893 thus sums up the situation :

Almost everywhere, certainly in England, France, Germany, Italy, Scandinavia and the United States, the agriculturists, formerly so instinctively conservative, are becoming fiercely discontented, declare they have gained less by civilization than the rest of the community, and are looking about for remedies of a drastic nature. In England they are hoping for aid from councils of all kinds; in France they have put on protective duties which have been increased in vain twice over; in Germany they put on and relaxed similar duties, and are screaming for them again; in Scandinavia — Denmark more particularly — they limit the aggregation of land; and in the United States they create organizations like the Grangers, the Farmers' League and the Populists.

It has become customary to speak of the rural population as a counterpoise in political affairs to the artisans of the cities. Until recently the practical politician expected comparatively little shifting in the political allegiance of his rural constituents :

¹ Rae, *Contemporary Socialism*, p. 41.

² *The Spectator*, vol. lxx, 1893, p. 247.

the voters in cities were the uncertain element in his game. The isolation of the agriculturists renders it difficult for them to be suddenly moved by a common impulse, such as is necessary to break party ties and cause a cleavage from traditional political connections. A property interest in the soil, such as is secured by the general prevalence of land ownership or an equitable system of tenantry, is also a most influential factor in rendering the farmer instinctively cautious and conservative. In the vigorous language of an English writer : "Peasant proprietorship is the one great force in a democratic country which opposes most strongly the doctrines of plunder and confiscation."¹ In view, therefore, of the traditional habit of mind of rural populations, their present condition of unrest in nearly every civilized land is most extraordinary. During the past few years this condition in the United States has produced a political party which, gaining rapidly in power, disrupting the political associations of a lifetime and disappointing the calculations of the most astute politicians, has captured the electoral vote of several states and placed a number of its representatives in each house of Congress.

Such considerations — the prevalence of agrarian problems throughout the civilized world, their unexpected character and the precipitation of the disturbed state of the agricultural mind in the United States into a formidable political organization — cannot but enlist the interest of the student of economic and social relations. In a country like our own, endowed by nature with such lavish abundance and fertility of soil, discontent among the agricultural classes is an unusually fascinating subject for study. It is the purpose of this essay to analyze this discontent with the object of determining to what extent it rests upon economic grievances, how far its explanation is found in a growth of social wants, to what degree it can be attributed to the nature of the farmer's business, and

¹ *Quarterly Review*, vol. clxxvi, 1893, p. 539. "The French peasant, no matter how small his holding is, will always vote for the *de facto* government; he will do this if he only owns two acres, never tastes meat and works fourteen hours a day; while the Parisian workman, though he is better housed, better clothed, better fed and better educated, will always vote for upsetting it." — *Ibid.*, 538, 539.

how much it has been intensified in recent years by special conditions.

For the purpose of determining the economic condition of the American farmer, I shall consider in the present study the relative increase of rural and urban populations, the relative increase of rural and urban wealth, and the relation of agriculture to transportation. A second study will be occupied with the increase of farm mortgages and farm tenants, and the remedies proposed in the interest of the farmer. A third or concluding study will consider to what extent social influences, the nature of the farmer's business, and special causes, in addition to economic conditions, have promoted the discontent of the American farmer.

I. THE SIGNIFICANCE OF THE RELATIVE INCREASE OF RURAL AND URBAN POPULATIONS.

No fact of our time is more noteworthy than the rapid multiplication and concentration of population in cities.¹ The census of 1790 showed that in the United States 3.35 per cent of the population lived in cities of 8000 or over, while in 1880 the percentage was 22.57, and in 1890 it had risen to 29.2. From 1880 to 1890, while the whole population gained 24.86 per cent, that of cities increased 61 per cent, and the farming population 15 per cent.² Of every 100 increase of population during the same decade only an average of 33 made their homes in the country and in villages of less than 1000 inhabitants; the other 67 resided in centers of population of 1000 or over.³ Thus, during the first century of our national life, the proportion of the population subject to the conditions of urban life increased from one-thirtieth to almost one-third.

Such facts are pointed to by some as evidence that American agriculture is unprofitable and in process of decline. That such a conclusion is necessary, however, does not follow. In every

¹ Albert Shaw, *Municipal Government in Great Britain*, pp. 12-19. Albert Shaw, *The Century*, vol. xxvi, New Series, 1894, pp. 296-298. Epps, *Land Systems of Australasia*, pp. 174, 175.

² Eleventh Census, Report on Population, Part I, p. lxxv.

³ *Ibid.*, p. lxxix.

progressive society where the forces of nature have been substituted for those of man, a similar movement of population is taking place. A distinguished writer has said : "The nineteenth century is closing upon a race that is destined, for the great majority, to live in cities, or under conditions more or less strictly urban."¹ In no country have city populations made more phenomenal gains within recent years than in Germany. Berlin, for example, was in 1894 three times as large as in 1860 ; and although behind New York city in 1870, it now leads that city in population. During the past twenty years it has added twice as much to its population as Philadelphia and as many actual new residents as Chicago. Hamburg has added more to its population since 1875 than Boston or Baltimore ; Leipzig more than St. Louis ; Munich more than Cincinnati.² Scarcely less remarkable is the recent growth of urban populations in France, Holland, Belgium, Italy, Scotland and England.³ In fact, it appears that there is not a single instance of the rapid expansion of city populations in the United States that cannot be duplicated in Great Britain or on the Continent.

There can be no doubt that increased efficiency of agriculture throughout a large part of the world has been the fundamental condition of this growth of cities.⁴ "When Malthus wrote, the labor of a person sufficed to raise food for 10 persons : at present in the United States a male adult can raise food for 120 persons."⁵ Better methods of husbandry, the use of superior implements, specialization of agricultural production and vastly improved transportation facilities, whereby large areas of new lands have been brought under cultivation, have been indispensable to this increase in productive efficiency, in consequence of which a relatively smaller part of the world's population is required to produce the food supply. "In each succeeding decade since 1850 there has been in all countries a marked tendency of rural population to emigrate to the towns ; and although the rural ratio of inhabitants

¹ Shaw, *Municipal Government in Great Britain*, p. 1.

² *The Century*, vol. xxvi, 1894, pp. 296-298.

³ Shaw, *Municipal Government in Great Britain*, pp. 12-17.

⁴ Giddings, *Principles of Sociology*, p. 88.

⁵ Mulhall, *North American Review*, vol. clxii, 1896, p. 177.

has seriously diminished, there has been an increase of tillage in consequence of machinery displacing labor.”¹ Although the ratio of rural population has declined in both Europe and America, while the total population has increased but thirty-four per cent, the area under tillage has risen fifty-five per cent.²

Moreover, the agriculture of those countries having the smallest urban population is generally in a most unproductive condition. “All nations in which more than half the laborers are in agriculture are comparatively poor, and their rural processes are primitive, their implements rude, their rate of production low.”³ In India, for example, eighty per cent of the whole population is closely connected with the land, and yet agriculture is there conducted so ineffectively that the masses of the people never know what it is to have enough of even the bare necessities of life, and the yearly income of each member of the nation is but two pounds, while in England it is thirty-three.⁴ Again, when serfdom was abolished in Prussia in 1807, the agriculture of the country was so inefficient that seven-eighths of the people thus engaged were able to produce only a very inadequate food supply. “By the year 1867 the agricultural population . . . had fallen to forty-eight per cent; and thirty-nine persons more than in 1816, out of every one hundred, were thus set free from the fields to take part in those industries which contribute to clothe and shelter a population or minister to its higher wants.”⁵ Yet the allowance of food that fell to each was not only one-third greater in quantity, but better in quality than in the wretched days of serfdom.⁶ It is well known, also, that in the days of slavery in the South a very small portion of the people were subject to the conditions of city life. The industrial organization which rested upon slavery made the factory system impossible, and agriculture was inefficient, slovenly and wasteful in the extreme. One qualified to speak has said :

¹ Mulhall, *History of Prices*, p. 79.

² *Ibid.*, p. 79.

³ Report of Department of Agriculture, 1885, p. 392.

⁴ Sir Henry Cunningham, *Fortnightly Review*, vol. lx, Old Series, 1893, p. 208.

⁵ *International Review*, vol. ii, 1875, p. 347.

⁶ *Ibid.*, p. 348.

Main strength, human muscle, unassisted by intelligent skill, was slavery's method of labor. With a capital of about sixty dollars in the shape of a good-natured old ox, attached to the end of a stout rope, New Bedford, Massachusetts, did the work of ten or twelve thousand dollars, represented in the bones and muscles of slaves, and did it far better. In a word, I found everything managed with a more scrupulous regard to economy, both of men and things, time and strength, than in the country from which I had come.¹

Further, "prices of grain, meat, *etc.*, are invariably lower in countries where the bulk of the people are engaged in agriculture than in those which are given chiefly to manufactures. On the other hand, all manufactured products are cheaper in countries where agriculture is of little importance."² From the point of view of civilization, also, those nations having the smallest percentage of city dwellers can hardly be classed in the first rank. Compare Russia, for example, with England, or Turkey with the United States.

The conclusion to be drawn from these facts is clear. The inference that the growth of cities in the United States is conclusive evidence of a less profitable condition of agriculture than formerly existed, or that it points to the economic decline of the American farmer, is unwarranted. Whatever may be the condition of agriculture, the relatively greater increase of urban than of rural population cannot be assigned as decisive proof that it is in process of economic decline.

II. AN EXPLANATION OF THE RELATIVE INCREASE OF RURAL AND URBAN WEALTH.

The wonderful rapidity with which wealth has been produced and accumulated in the United States has attracted the attention of publicists and economists of nearly every land. Notwithstanding the appalling loss inflicted by the Civil War, and in spite of the periodical occurrence of panics and commercial depressions, the nation has gone forward in the conquest of wealth with unprecedented and almost incredible celerity. The

¹ Life and Times of Frederick Douglass (1882), p. 257.

² Mulhall, History of Prices, pp. 115, 116.

following figures are sufficient testimony to the correctness of this statement :¹

	WEALTH OF THE U. S.	DOLLARS PER INHAB.
1860	\$16,160,000,000	\$514
1880	43,642,000,000	870
1890	65,037,000,000	1036

So readily have material things been brought into existence and with such facility are they fashioned to suit the most fastidious of tastes that questions of production are no longer the burning issues of the hour. The machinery of production has been so far perfected that there is no longer any fear of its inadequacy to satisfy the needs of all. The questions that have come to concern nineteenth-century society relate rather to distribution than to production. Let us therefore inquire as to the distribution of the wealth which the above figures exhibit. The following table classifies the wealth between the two great groups of American producers :²

	URBAN WEALTH.	RURAL WEALTH.	PERCENTAGE OF TOTAL.	
			URBAN.	RURAL.
1850	\$3,169,000,000	\$3,967,000,000	44%	56%
1860	8,180,000,000	7,980,000,000	51	49
1870	15,155,000,000	8,900,000,000	63	37
1880	31,538,000,000	12,104,000,000	72	28
1890	49,055,000,000	15,982,000,000	75	25

These figures indicate that during the last forty years rural wealth has quadrupled, while that of the cities has increased sixteen fold. The prevalent opinion, therefore, that the cities are outstripping the rural districts in the accumulation of wealth appears to rest upon a solid foundation of fact.

What is to be said in explanation of the relatively greater progress of the cities in wealth? Has it been achieved by

¹ Eleventh Census, Report on Valuation and Taxation, Part II, p. 9.

² Eleventh Census, volume on Wealth and Taxation, p. 9, in connection with volume on Agricultural Statistics, p. 84. The figures given in the above table represent the non-agricultural and agricultural wealth of the country obtained by deducting the latter from the sum total of wealth of all kinds as found in the references to the census of 1890 here cited. For the purposes of the analysis which follows, they are here classified respectively as urban and rural. While the terms *urban* and *rural* wealth do not exactly correspond to *non-agricultural* and *agricultural*, they yet agree so nearly as not to lead to erroneous conclusions.

depriving the farmer of a portion of his earnings? In reply to these questions, it is to be observed that the unparalleled accumulation of wealth that has marked the career of the United States has for the most part taken place since the introduction of steam as a motive power, and that prior thereto the disproportionate distribution of wealth between city and country did not exist. The following table shows the increase of steam power in the United States since 1840:¹

HORSE POWER OF STEAM IN THE UNITED STATES.

	1840	1860	1880	1895
Fixed	360,000	800,000	2,186,000	3,940,000
Locomotives	200,000	1,800,000	3,700,000	10,800,000
Steamboats	200,000	900,000	1,200,000	2,200,000
Total	760,000	3,500,000	9,086,000	16,940,000

This table should be compared with the one given above showing the distribution of wealth. Such a comparison renders it unnecessary to argue that the swiftness with which wealth has been produced and accumulated in the United States would have been impossible in the absence of steam. In illustration of the efficiency of steam as a wealth-producer in the industrial world a single comparison will suffice. It is estimated that by converting the energy stored up in coal into steam the productive efficiency of labor is multiplied six hundred times.²

But why is it that in the distribution of the wealth that has thus been created the cities have absorbed such a disproportionate amount? An answer to this question will involve an analysis of the tendencies of steam as a wealth-producer. In this way we may hope to understand also whether the cities have prospered at the expense of the farmer, or whether their progress is due to the operation of normal economic law.

1. Steam as a motive power in the operations of the farm has never admitted of direct practical application to any considerable extent. Except in the work of threshing, it has been exploited to only a slight degree in farm economy. Conse-

¹ Mulhall, *North American Review*, vol. clx, 1895, p. 642.

² D. K. Clark, *Manual of Engineering*, p. 846; Mulhall, *History of Prices*, ch. ix, *passim*.

quently, the volume of farm produce has not been greatly increased or its cost of production very much cheapened through the influence of steam-driven machinery.¹ Indirectly, however, the use of steam in transportation and in the manufacture of farm implements has affected agriculture in both these respects, and in numerous others so important as to call for separate treatment in the following section of this study.

2. It is in pursuits other than those of the farm that we must look for the whereabouts of the 16,940,000 horse power of steam which the table given above shows to have existed in the United States in 1895. The process by which such an enormous amount of power has been absorbed in the industries of modern life is a matter of no little interest. In this connection, it is pertinent to observe that the utilization of steam made the era of invention a necessity.² Its employment as a motive power stimulated the inventive ingenuity of man. As a consequence, numerous ingenious contrivances have been put to work, propelled by an invisible force, so cheapening production that commodities once luxuries for the rich have come to be almost necessities of life to the masses of the people. Consumption has thus been so enormously increased that employments once offering work to only a few now demand hosts of toilers. Compare, for example, the business of transportation before and since the time of the railway. Steam power, steel rails and other inventions have rendered the swift and certain movement of persons and commodities one of the daily necessities of the multitude. Since 1870 \$1,000,000 a day have been spent in railway construction giving employment to labor ; and now in the United States an army of nearly a million men are employed, directly and indirectly, in transportation. Again, when Arkwright invented his cotton-spinning machinery in 1760, there were 5200 spinners and 2700 weavers, or 7900 in all ; while in 1887 there were 320,000, an increase of over 4000 per cent. In 1833 the number employed at spinning, weaving and calico-printing was

¹ E. V. Smalley, *The Forum*, vol. xvii, 1894, pp. 242, 243.

² Mulhall, *History of Prices*, p. 56.

800,000, and in 1887, 2,500,000.¹ Notwithstanding the displacement of labor by machinery, the increased demand, owing to reduction in the price and improvement in the quality of the articles manufactured under new conditions, has operated not only to prevent any material reduction in the rates of wages, or in the number of employees, but even largely to increase both.² It is obvious that the industrial opportunities thus thrown open have mainly been such as to stimulate immensely the creation of those new forms of wealth which go to swell the sum total of values in cities.

Intimately connected with these facts is the difference in the nature of the human wants which the industries of the farm and of the city supply. Those met by the former are mainly *physical*, while those supplied by the latter are *social*.

Physical wants . . . cannot be increased in each individual to any considerable extent. The stomach of the savage will consume as much as that of the civilized man ; hence the effectual demand, through this class of wants, can only increase in *about* the same ratio as population. . . . Social wants are essentially different in all of their characteristics. They are the result of social, rather than cosmic, influences. They can be increased indefinitely in each individual, and can consequently be multiplied much faster than the population.³

The influence of labor-saving contrivances in agriculture has consequently tended to eliminate the man from the farm.⁴ Mr. E. V. Smalley states that "the farmer of our day, with the help of machinery, exerts a productive force equal to that of three men in the days of his grandfather";⁵ and Mr. Atkinson has estimated that, by the aid of improved means of transportation and specialization of industry, the labor of one man on the plains of Dakota is sufficient to furnish 140 in Boston with bread.⁶ Not thus, however, with social wants ; they are unlimited and tend to multiply faster than population. Con-

¹ Wells, *Recent Economic Changes*, p. 368.

² *Ibid.*, ch. ix, *passim* ; *Public Opinion*, September 5, 1895, p. 316.

³ Gunton, *Social Economics*, pp. 82, 83.

⁴ Prof. E. W. Bemis, *Journal of Political Economy*, vol. i, 1892-93, p. 195.

⁵ *The Forum*, vol. xvii, 1894, p. 244.

⁶ Mulhall, *History of Prices*, p. 82.

sequently, in satisfying such wants, it is economically possible to substitute machinery or natural forces for man in increasing the volume and cheapening the cost of the needed commodities. The labor thereby set free is again absorbed, either in meeting the greatly increased consumption brought about by cheaper production,¹ or in satisfying other social wants which it is the nature of a progressive society to evolve.

Owing to such facts, although the number of persons ten years of age or over employed at farming declined from 20.78 per cent of the population in 1870 to 17.48 per cent in 1890, the number of persons employed in all remunerative employments advanced from 32.43 per cent to 34.68 per cent; the number engaged in manufacturing and mechanical industries increased from 8.28 per cent in 1860 to 10.74 per cent in 1890; and those engaged in trade, transportation, domestic service and professional employments increased in the same period from 13.7 per cent to 19.74 per cent.²

The following tables reflect the more rapid production of urban than of rural wealth:³

		CAPITAL EMPLOYED.	NUMBER OF WORKERS.	NET VALUE OF PRODUCT.	PER CAPITA PRODUCT.
1870.	Agric're	\$8,899,966,998	5,922,741	\$1,958,030,927	\$333
	Manuf.	1,694,567,015	2,053,996	1,743,898,200	680
	Mining	222,384,854	154,328	138,323,303	717
1880.	Agric're	12,104,001,538	7,670,493	2,212,540,927	288
	Manuf.	2,790,272,606	2,732,625	1,972,755,642	722
	Mining		286,806	194,969,849	683
1890.	Agric're	15,982,267,689	8,466,363	2,460,107,454	290
	Manuf.	6,525,156,486	4,712,622	4,210,393,207	893
	Mining	1,340,000,000	636,419	471,356,527	740

¹ Recent Economic Changes, ch. ix, *passim*.

² Carroll D. Wright, *The Forum*, May, 1895, pp. 306-309.

³ Ninth Census, Report on Industries and Wealth, pp. 392, 759. Tenth Census, vol. i, p. 712; vol. ii, p. 51; Report on Non-precious Metals, p. xxviii. Abstract of Eleventh Census, pp. 78, 99, 141; Eleventh Census, Report on Mineral Industries, p. xi. The figures given for mining in 1880 are in part estimated from data found in the Tenth and Eleventh Censuses. Any estimate of the capital employed would be largely guesswork.

These figures tell their own story. With less than half the capital employed in agriculture, manufactures and mining have since 1870 annually created a per capita product two to three times as great. The adaptability of steam to non-agricultural industries and the nature of human wants are factors of paramount importance in creating this disparity in the production of agricultural and non-agricultural wealth.

3. Another explanation of the concentrating tendency of steam is found in the fact that steam power cannot be economically transmitted long distances. This has necessitated the erection of large factories close by the power-generating plant rather than the distribution of a number of small establishments at considerable distances apart.¹

4. Apart from the nature of steam, the factory system of industry, as it exists to-day, is most favorable to economy of production for reasons peculiar to itself. To carry out the principle of the division of labor to the fullest extent, it is necessary that large numbers of men be assembled for work under one management in the same building. Further, in any industry requiring a large amount of machinery, the cost of protecting the machinery is less when it is concentrated under a single roof.² It is evident, therefore, that the economy of production secured by the factory system inevitably tends to create urban wealth and to commit workmen to the socializing influences of city life. There has consequently resulted a

limitation in the variety of work carried on in . . . rural establishments. Of old, nearly all the articles which entered into the family life of an agriculturist were made in the household. Cloth of various kinds, candles, soap, the greater part of the tools, even the worked timber used in the edifices, were of domestic manufacture. This is no longer the case in those parts of the country which have been subjected to modernizing influences. The ever-progressive division of labor and the rapid extension of commerce made possible by improvements in the methods of transportation, have led to the removal of many industries from the farm to the factory, where, by

¹ Dr. C. H. Cooley, Publications of the American Economic Association, vol. ix, 1894, p. 297; Rae, Contemporary Socialism, p. 28.

² Dr. C. H. Cooley, *loc. cit.*, p. 297.

the use of machinery and trained labor, many articles can be made more cheaply and perfectly than under the domestic roof.¹

5. As the almost indispensable motive power in transportation, steam has promoted still further the aggregation of wealth in cities. Reference is not here made to the effect of arbitrary and unjust discriminations practiced by railway corporations. The influence to which attention is directed arises from the very nature of transportation — from the fact that interruptions in the transport of commodities are unavoidable, and that, wherever they occur, wealth and population tend to collect.² Interruptions in transportation have been classified as mechanical and commercial. The former necessitates the transfer of passengers and the rehandling of commodities, while the latter involves in addition a change in the ownership of property. Both classes of interruptions, but especially the latter, concentrate population and tend to the aggregation of wealth. The vastness of the territory of the United States, resulting in the need of distributing centers, has given rise to numerous commercial breaks ; and their influence in promoting the wealth of cities cannot be doubted. Moreover, three-fourths of the steam power of the United States is engaged in water and land carriage ;³ and the volume of the latter alone is twice that of all the rest of the world, so that any interruption in its movement becomes extremely influential and worthy of consideration. But the application of steam to transportation has been influential in still other ways in promoting the prosperity and piling up the wealth of cities. This is well illustrated in its effect upon

the relation of the inland town to the commercial metropolis. When men reached the interior by horse power, by the ox team or on foot, the rural town had a living chance to advance in wealth and population. For the industrial army which had moved into the wilderness or the open country, the rural village was the new base of supplies.

¹ The United States of America, edited by N. S. Shaler, vol. ii, p. 618.

² Dr. C. H. Cooley, Publications of the American Economic Association, vol. ix, 1894, pp. 312-322.

³ Mulhall, *North American Review*, vol. clx, 1895, p. 642.

The commissariat must go along with the columns. The large center was too far away. But the coming of the railway bridged the distance. It brought the village ten or twenty miles away in touch with the great city, making it a sort of suburb. The outlying depot of supplies is no longer needed; the railway train has taken the place of the country storehouse.¹

6. Industries monopolistic in character, such as trusts, and especially street railways, water works, gas and electric-light plants, which become increasingly valuable with growth of population and social development,² are for the most part located in cities, and are important factors in swelling the sum total of urban wealth. On the other hand, the business of the agriculturist is not capable of monopoly control. The great number and the isolation of agricultural producers render practically impossible pools designed to control the output of food products.³ Moreover, agriculture is so largely dependent upon cosmic forces, over which man exercises little or no control, that even were a combination of agriculturists successfully organized, it would be impossible for it to regulate the volume of food products and thereby control prices. Such considerations throw still further light upon the more rapid accumulation of urban than of rural wealth.

7. The fact that special knowledge or skill is not indispensable in the performance of many operations upon the farm is also deserving of attention. It is not intended to say that the labors of the skilled, intelligent and energetic agriculturist are not more largely rewarded than those of the unskilled, ignorant and slovenly cultivator; but that there are few occupations where mediocre ability and lack of thrift can manage to eke out an existence with as much certainty as upon the farm. A lack of ordinary enterprise and energy is in many other pursuits much sooner overtaken with disaster. In explanation of this it may be said that agriculture

¹ *Public Opinion*, April 18, 1895, p. 417.

² Cook, *Corporation Problem*, p. 182; Prof. H. C. Adams, *Publications of the American Economic Association*, vol. i, 1886-87, pp. 523-528.

³ Clark and Giddings, *The Modern Distributive Process*, pp. 14, 15, 28.

is often dependent quite as much upon favorable climatic conditions as upon the human element, while in some other lines of industrial activity the personal qualities of the worker are to a much greater degree determinant of success. Consequently, many inefficient and thriftless cultivators who could scarcely earn a livelihood at anything else are not speedily weeded out of the business, but continue to contribute to the abundance of the world's food supply. Partly owing to the competition of this class of farmers, and to the dependence of agriculture upon conditions which man is powerless to control, the better-directed labors of men possessing more than average skill and intelligence are less amply rewarded than those of men of the same ability in other walks of life. On the other hand, the occupations of city life afford industrial opportunity for the exercise of that administrative ability and technical skill which in modern society is most amply rewarded. The highly paid executive talent required for the successful management of the corporations which control the great industrial enterprises of modern times finds the seat of its business activity within the confines of cities. Further, those engaged in professional pursuits who receive large rewards for their services, as well as the large and increasing class of skilled and well-paid mechanics found in every progressive society, live in the midst of city surroundings. Owing to the inertia of the agriculturist and his inability to adapt himself to many of the more highly paid positions of the city, the unequal rewards of urban and rural workers are not rapidly reduced to a level. That is, city and country form two distinct and non-competitive groups of industrial society.¹ The foregoing suggestions still further explain the greater progress of the cities in the race for riches.

8. Our study has thus far been confined to the economic forces in modern society which have promoted the more rapid increase and accumulation of urban than of rural wealth. But the problem we are considering is not explainable on economic grounds alone. These are fundamental, for economy of pro-

¹ Clark and Giddings, *The Modern Distributive Process*, pp. 7-14, 27, 28. Clark, *The Philosophy of Wealth*, p. 114.

duction has made necessary concentration of wealth in cities, and this has made concentration of population indispensable to getting a living;¹ but the social tendencies of our century have also been toward the densely populated centers.² Cities, with their density of population and vast aggregation of values, are not only essential to economy of production, but are also able to command such superior and attractive social, educational³ and religious advantages that many people of means move from the farm to the city.⁴ In the olden time, before the rise of the factory system, many who longed for social life had to endure the loneliness, dullness and monotony flowing from the isolation of farm life.⁵ But the advent of the railroad⁶ and the rise of the modern system of industry provide for such an avenue of escape to the greater social opportunities of city life. All the advantages which man's social nature craves, the theatre, the picture gallery, the public library, church privileges, the daily newspaper, intercourse with one's fellow men, the sight of the bustling crowd—in short, all that goes to make social opportunity, are to be had most readily near the great industrial centers. Our educational systems and all the intellectual forces of our time stimulate a mental activity which seeks some professional pursuit in the midst of the bustle and whirl of the city;⁷ the road to political preferment and social distinction also leads from the quiet of the country home to the noisier scenes of the city;⁸ and the enviable success achieved by some who have left the country and gone to the town fires the social ambition and creates among those who have remained on the farm a feeling of unrest, which accelerates the movement of population to the busier fields of action. Finally, the inclination of the rising

¹ Gunton, *Social Economics*, pp. 322, 323.

² Clarence Deming, *Yale Review*, vol. i, 1892-93, pp. 291-300.

³ Clifton Johnson, *The Cosmopolitan*, vol. xv, 1893, p. 221.

⁴ *Public Opinion*, January 31, 1895, p. 109.

⁵ *Social Economics*, p. 440; *The Cosmopolitan*, vol. xv, 1893, p. 221.

⁶ *The Cosmopolitan*, vol. xv, 1893, p. 217.

⁷ *The Nation*, vol. xlix, 1889, p. 445; vol. xlvi, 1888, p. 501.

⁸ Alfred H. Peters, *Quarterly Journal of Economics*, vol. iv, 1889-90, p. 30.

generation for city life is still further stimulated by a feeling more or less prevalent that the young woman who supplies city customers with butter, or the young man who soils his hands with the dirt of honest toil on the farm, is somehow socially inferior to the one who as a clerk in a city store sells goods over the counter.¹ All of these social considerations have stimulated the flow of population from country to city, have given rise to urban residences, have furnished laborers for the industrial expansion of cities and have contributed toward hastening their progress in wealth.

In the course of our study of the relative increase of rural and urban wealth we have arrived at the following conclusions :

I. While the increase of wealth in the United States has been phenomenal, its distribution is such that three-fourths of the aggregate amount is to-day found in cities.

II. This unequal distribution of wealth is, if we have been correct in our analysis, due chiefly to the new industrial organization introduced through the agency of steam power.

III. The wealth-concentrating influence of steam is due to the fact that it has admitted in only a limited degree of direct application to agricultural production, to the difference between man's physical and social wants, to the fact that steam power cannot be economically transmitted long distances, and to its use as an agent in transportation. Other influential factors in enriching the cities have been the economy of the factory system of production, the private ownership of monopolistic industries, the fact that successful crop production is determined quite as much by climatic as by human influences, and the force of social considerations. So far as anything disclosed by our analysis is concerned, therefore, with the single exception of the private ownership of monopolies, there is no evidence that urban wealth has been accumulated at the expense of the farmer.

¹ *Quarterly Journal of Economics*, vol. iv, p. 29 ; *The Nation*, vol. xlvi, 1888, p. 501 ; Ward, *The Psychic Factors in Civilization*, p. 272.

III. THE RELATION OF AGRICULTURE TO TRANSPORTATION.

1. *Influence of means of transportation upon the migration and the geographical concentration of agricultural production.*—Within the memory of many now living, the Genesee Valley led the whole country in the production of wheat. At the present time, not only has the center of wheat production changed from New York to Minnesota and Dakota, but the milling industry has migrated from Rochester to Minneapolis.

Of the total wheat crop of 1839, 61.52 per cent was produced in four states, containing only 5.84 per cent of the entire surface of the country; fifty years later those states produced only 15.66 per cent of the total, and four others, containing 11.01 per cent of the total land surface, produced 35.85 per cent of the total crop. Of the total production of oats in 1839, 56.2 per cent was produced in four states containing 5.84 per cent of the entire land surface of the country. In 1889 48.82 per cent was grown in four other states, containing 8.25 per cent of the total land surface.¹

The explanation of this wandering of agricultural enterprise and localization in new fields of production is to be found in the American railway system. The chart on the opposite page exhibits the relationship between the extension of railway mileage west of the Mississippi and the increase in the area devoted to the production of corn and wheat.² Capacity, cheapness, speed and independence of the natural features of the earth's surface have been the elements that have contributed to the efficiency of the American railway, and have rendered the development of agricultural industry so dependent upon it.³ According to an English writer, J. Stephen Jeans, the American is superior to the English railway system in all these respects.⁴ In no particular, however, do American railways make a better showing than in the matter of cheapness. The last report of

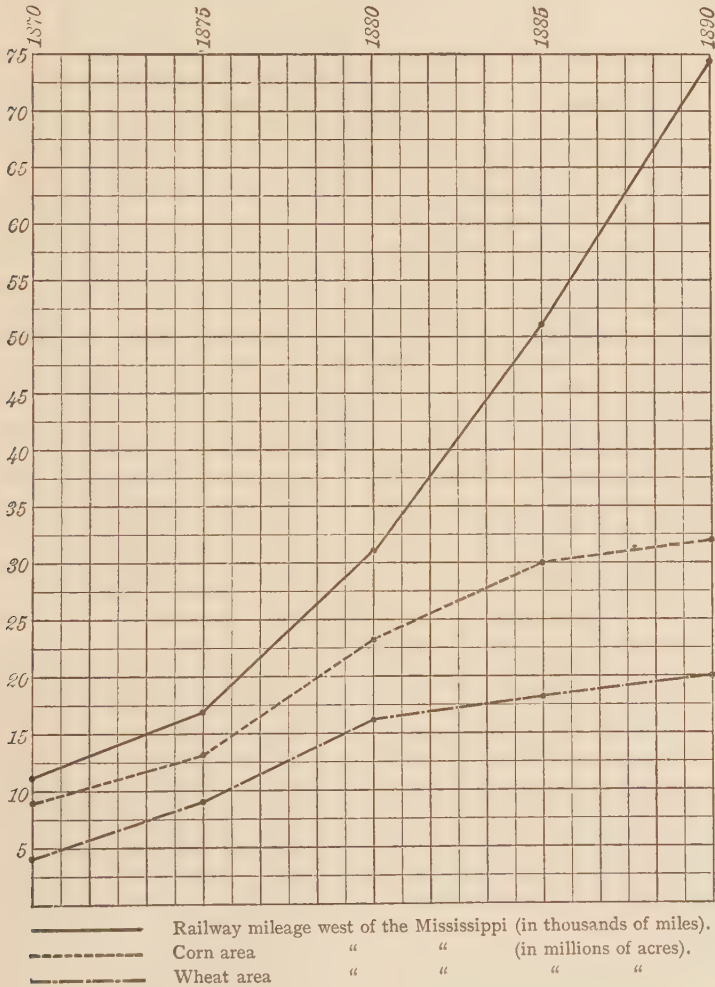
¹ John Hyde, Publications of the American Statistical Association, vol. iii, 1892-93, p. 493.

² The data for the construction of this chart were obtained from the Statistical Abstracts and the annual reports of the Department of Agriculture.

³ Dr. C. H. Cooley in Shaler, The United States of America, vol. ii, p. 68.

⁴ *The Nineteenth Century*, vol. xxviii, 1890, pp. 392-400.

the statistician to the Interstate Commerce Commission gives the following rates per ton-mile for several nations of the world : Great Britain, 3.2 cents, France, 2.2 cents, Germany,



1.64 cents, United States, .866 cents. The fact that at the average rate of 1882 the railway freight traffic of the United States for the twelve years ending June 30, 1894, would have yielded the railway companies \$2,629,043,459 more than they received at the rates charged, gives one some conception

of the extent to which railway freight rates have been reduced.¹

In bringing about this reduction several forces have been prominent :

(a) Greater economy in the cost of railway construction and operation. The use of steel rails, the enlarged capacity of cars, the increase in their live weight, the straightening of curves, the levelling of grades, the improvements in traction power, the reduced cost of railway supplies, the lengthening of the long haul and, perhaps fully as much as anything else, the consolidation of railway lines have been influential factors in this matter.

(b) A great increase in the volume of the traffic. In 1870 the states west of the Mississippi consumed nearly all of their products at home ; but now Nebraska alone, after supplying her home market, sends east "450 cars of bread and meat products every day in the year."² "Every additional carload of east-bound product from the Missouri River lessens the cost of every other carload," and, consequently, compared with twenty-five years ago, "nearly three-fourths of the cost of transportation from the Missouri River to New York has been stricken off, and Nebraska is over one thousand miles nearer the Atlantic seaboard." "A fat ox one hundred miles from New York City must pay one dollar for his ride by rail to reach that market," while "a Nebraska ox fifteen hundred miles away reaches the same market for only three dollars additional cost."³

2. *Influence of means of transportation upon farm values.* — In new countries, there is no doubt that the immediate effect of more ample and cheaper transportation facilities is to give an upward movement to farm values. Speaking of Ohio it has been said : "The price of farm produce advanced fifty per cent on the completion of the canals ; the railroads appear to have doubled the price of flour, trebled the price of pork, quadrupled the price of corn."⁴ One whose lifetime included the period of which he speaks has said :

¹ H. T. Newcomb, *The New York Independent*, June 6, 1895, p. 13.

² J. W. Johnson, *Ibid.*, p. 10.

³ J. W. Johnson, *The New York Independent*, June 6, 1895, pp. 9, 10.

⁴ Prof. N. S. Townsend, *Ohio Agricultural Report*, 1887, p. 367.

It is to railroads, which now penetrate all sections of the western states, that the enormous growth of these states in population and wealth is mainly attributable. Without them they would have remained pretty much what they were (except in the vicinity of rivers and lakes) half a century ago — a magnificent wilderness. The construction of the Illinois Central Railroad first opened for settlement the fertile prairie section of Illinois. . . . A country, no matter how fertile, must be of little value without markets for its productions ; and but for railroads there would have been no accessible markets for a region large enough and rapidly becoming populous enough to cast into the shade any of the European states except Russia.¹

But while an increase of facilities for transportation enhances farm values in new countries, it ultimately exerts quite the opposite influence upon the older farming communities. Consequently, while agricultural lands in nearly all of the western division of the North Central States, and in Wisconsin and perhaps Illinois of the eastern division, have been rising in value during the past fifteen years, in all of the remainder of the Northern States east of the Mississippi farms have not only greatly declined in value, but in some cases have been abandoned. In support of this statement there is an abundance of evidence.

This downward tendency of farm lands first attracted attention in New England. In at least four of these states, Vermont, New Hampshire, Massachusetts and Connecticut, there have been issued special pamphlets of information embodying the results of official investigations of the subject. The report of the secretary of the Connecticut State Board of Agriculture, made in March, 1892, contains descriptions of more than three hundred Connecticut farms, offered in many instances at prices that would apparently not cover the cost of the buildings. Of the 168 towns of Connecticut it has been said that 100, nearly all agricultural, show a loss in assessed valuation of \$19,000,000 during the last thirty years.² A few years ago a farm of 106 acres, situated one mile from Williamsburg, Massa-

¹ Hugh McCulloch, *Men and Measures of Half a Century*, p. 42.

² Clarence Deming, *Yale Review*, vol. i, 1892-93, p. 294.

chusetts (two miles from the station at which twenty passenger trains stopped daily), and containing buildings in good repair and replaceable for not less than \$10,000, was offered for sale for \$6500.¹ In reply to inquiries upon the subject by the Bureau of Labor, 144 towns in Massachusetts reported 1461 abandoned farms, of an average size of eighty-six acres. The average value of the 772 of these farms having buildings was \$894, and of the 689 without buildings, \$561.² An investigation conducted by the Massachusetts State Board of Agriculture, interpreting the term "abandoned farm" somewhat more narrowly, ascertained the number of such farms in the state to be 906.³

The decline of farm values is by no means confined to New England. The New York state assessors declared, in 1887, that land in the southern and central counties, comprising most of the agricultural lands of the state, depreciated ten to twenty per cent in fifteen years; and at a meeting of the Board of Equalization one of the state assessors estimated the decline at fifteen to thirty per cent.⁴ A writer upon railways has said that between 1870 and 1880 the value of agricultural lands in New York depreciated over \$200,000,000.⁵ A recent investigation estimates the extent of the depreciation at from forty-eight to fifty per cent.⁶

Governor Foraker, in his annual message to the Ohio legislature, January 4, 1887, affirmed that the farm property of that state was worth from twenty-five to fifty per cent less than at the last decennial assessment.⁷ Likewise his successor in office, Governor Campbell, in an address to a gathering of

¹ *The Nation*, vol. xlix, 1889, p. 406.

² Twenty-first Annual Report of the Massachusetts Bureau of Labor, 1890, pp. 192, 225, 237.

³ Descriptive Catalogue of Farms in Massachusetts, Abandoned or Partially Abandoned, 1891, p. 9.

⁴ Alfred H. Peters, *Quarterly Journal of Economics*, vol. iv, 1889-90, p. 18.

⁵ Cook, *The Corporation Problem*, p. 42.

⁶ A leaflet, issued by the New York Association for Improving the Condition of the Poor, entitled: "An Inquiry into the Cause of the Agricultural Depression in New York State."

⁷ Prof. R. T. Ely, *Taxation in American States and Cities*, p. 151.

farmers at Columbus in 1890, said that there had been a decrease of \$2,000,000 in the value of farm property in Butler County, and that the aggregate depression in ten years in farm lands in Ohio was \$80,000,000.¹ A writer upon social and economic subjects has said :

After the decennial assessment of Ohio was taken in 1890 the state board reduced the farm assessments fifteen to twenty per cent, and still the real estate assessments in the country districts showed a fall of seventeen per cent in ten years and the city real estate a gain of thirty-eight per cent.²

In 1894, compared with 1884, there was a decrease of \$43,193,959 in the value of the farm lands, fences and buildings of Michigan ; and during the same decade the value of farm lands per acre declined from \$38.48 to \$34.54.³

It is in England, however, that the depreciating influence of improved facilities for transportation upon the value of farm lands has been most marked, and the losses have been most disastrous. From the superabundant evidence in support of this statement the following is selected :

Farms that formerly were eagerly sought for by numerous competitors, all substantial men with capital and credit, are now waiting in vain to be hired. Land, which was the favorite investment, and was in such demand that it not unfrequently fetched forty years' purchase on rents which were known to have been raised just before the sale, is at the present moment almost unsaleable. In Essex, but a few miles distant from the largest city in the world, there is a spot from which, it is said, there can be seen nineteen large farms, all vacant, without tenants, and for the most part uncultivated ; this, too, in a county which only a few years back used to be one of the greatest food-producing districts.⁴

¹ Ohio Agricultural Report, 1890, pp. 185, 186.

² Prof. E. W. Bemis, *Journal of Political Economy*, vol. i, 1892-93, p. 194.

³ Bulletin No. 5, Michigan State Census for 1894, p. 5. For the extent to which farm lands have depreciated in some of the states mentioned above as well as others, see also Senator Pepper's Report on the Agricultural Depression, February 15, 1894, pp. 10-14. For the depreciation of farm lands in New Jersey, see Report of New Jersey Labor Bureau, 1889, pp. 329-331.

⁴ *Quarterly Review*, vol. clxvi, 1888, p. 210.

Only recently attention was called to the sale in England of 639 acres of land, with farmhouse, stables, homestead and seven cottages, for \$28,500, although something like a dozen years ago the same property was valued at \$100,000, and only four years since was mortgaged for \$70,000.¹

The opinion not only of authorities but of the public in general is that the primary explanation of these facts is found in the influence of the extension of modern means of transportation and communication. An English writer, J. Stephen Jeans, has said :

To the American railway is due the revolution that has taken place in the sources of the food supply of European countries, the general cheapening of the cost of commodities throughout the world and the remarkable depreciation that has been witnessed in the value of land and the products of agriculture in England and other countries.²

And again :

The value of the American exports of breadstuffs to Europe increased from \$24,500,000 to \$288,000,000 between 1860 and 1880, while the value of the exports of provisions increased from \$16,000,000 to \$156,000,000 during the same interval. . . . This meant the general reduction and finally the almost complete extinction of the profits of British farmers. . . . As with wheat, so with other agricultural produce. Prices were kept down continuously and steadily by the unlimited supplies that the United States were always ready to throw upon the market, and British agriculture languished and declined more and more until it appeared as if it had suffered complete collapse.³

The reduction in the cost of water transportation, owing to the displacement of sail by steam power, has added its influence in bringing about the economic revolution just described.

Prior to about the year 1875 ocean steamships had not been formidable as freight-carriers. . . . A steamer of the old kind, capable of carrying 3000 tons, might sail on a voyage so long that she would

¹ *Public Opinion*, September 19, 1895, pp. 363, 364.

² *The Nineteenth Century*, vol. xxviii, p. 392.

³ *The Nineteenth Century*, vol. xxviii, p. 401. See also *Journal of Royal Statistical Society*, March, 1895, p. 99.

be compelled to carry 2200 tons of coal, leaving room for only 800 tons of freight; whereas at the present time, a steamer with compound engines and all other modern improvements can make the same voyage . . . and carry 2200 tons of freight with a consumption of only 800 tons of coal.¹

In addition to the increase in capacity, the reduction in the cost of new steel ships from \$90 per ton in 1872-74 to \$33.95 per ton in 1887, "the introduction of steam hoisting machines and grain elevators upon the wharves and docks, and the employment of steam power upon the vessels for steering, raising the sails and anchors, pumping, and discharging the cargo"² have been influential in lowering the cost of water transportation. Consequently, while in 1860 twelve cents per bushel was about the lowest rate charged for any length of time for the transportation of grain in bulk from New York to Liverpool, the average rate for the same service for the year 1886 was five cents per bushel.³

In explanation of the depreciating influence of the improvements in transportation upon the farm lands of England and of a considerable portion of the United States the following analysis is offered :

1. In the cultivation of the older farm lands of the world, the point of diminishing returns has long since been reached. That is, the application of additional quantities of labor and capital to the soil does not result in a proportionate increase of the product. In the case of many of the lands of the older states this point has already been passed, and consequently, compared with soils more recently brought under cultivation, they are under the disadvantage of requiring a greater outlay for a unit of product. It is evident, therefore, that when the older farm lands of the country are brought into competition with the newer, they are handicapped in the contest by an unalterable law of nature.⁴

2. The value of land for agricultural purposes may be said to depend in general upon three considerations: degree of fer-

¹ Wells, *Recent Economic Changes*, p. 37.

² *Ibid.*, pp. 35, 36.

³ *Ibid.*, pp. 38, 39.

⁴ R. Means Davis, *The Forum*, vol. xiv, 1892-93, p. 386.

tility, location and area capable of cultivation. That is, if all land were of equal fertility, and if there were no choice arising from its location, and if the area capable of cultivation were unlimited, it would have no value for agricultural purposes.

In regard to fertility, nothing is clearer than that land is unequal. The long-cultivated lands, the riches of whose soil have been washed away by rains or depleted by injudicious culture, when brought into competition with virgin soils of new regions, are at a disadvantage. But since the older farm lands are not of uniform fertility, they are not equally injured in this competition. Everywhere it is the soil nearest the margin of cultivation that fares the worst. Of the 1461 abandoned farms in Massachusetts, 1214 were in the five western counties, the rockiest and hilliest part of the state.¹ These lands would wear out and wash away under bad treatment, even if transportation did not bring them into competition with more fertile soils; but competition with such lands greatly intensifies the difficulty and hastens their abandonment. During England's troubles with Napoleon, the war difficulties resulted in so raising the price of corn that cultivation descended to very inferior lands;² but the raising of the blockade at the close of the war and the subsequent repeal of the Corn Laws, both of which operated in the same manner as the introduction of steam transportation, brought the English corn-producer into competition with the world and resulted in throwing out of cultivation large areas of the less fertile lands.

3. In regard to the second and third considerations upon which the value of land depends, it is to be noted that improvements in transportation, by tending to equalize the advantages of location and by rendering possible an enlargement of the cultivated area, deprive land of two elements that make society dependent upon it and render it valuable. Were half the area under cultivation in all countries suddenly to become barren, or were the distance from market of a similar portion doubled in a day, it is easy to see that the dependence of agriculture

¹ *Bradstreet's*, vol. xix, 1891, p. 181.

² Cannan, *Production and Distribution*, 1776-1848, pp. 148, 149.

upon the remainder would be greatly increased,¹ and the value of this remainder correspondingly enhanced. Modern transportation has tended to bring about just the opposite of this.² It has, to a large extent, eliminated the adverse element of space from new farming lands, rendered them accessible to the world's markets, and made possible an increase of fifty-five per cent in the cultivated area.³

In the light of the above statements, the fact that farm lands in some of the oldest, best improved and wealthiest farm communities have declined in value, while in the newer, sparsely inhabited, poorly improved and less wealthy they have increased, is rendered intelligible. Access to the new farming lands has rendered society less dependent upon the old. Thus, while the recent state census in Michigan showed that there was a shrinkage of \$61,690,047 in the value of farm lands, fences and buildings of the southern counties of the lower peninsula, there was an increase of over \$16,000,000 in the value of similar property in the central and northern counties.⁴

4. Transportation has placed the older soils under a disadvantage by forcing them to compete with land upon which, either because of the levelness of its surface or because of the greater number of acres in a farm, machinery can be more economically employed. In the production of wheat, for example, compare the use of the self-binder upon the small and hilly farms of New England with the conditions that exist on the Western plains.⁵

5. Before the extension of modern means of transportation and communication throughout the states west of the Mississippi, a partial failure of crops owing to drought, wet weather, a severe winter or any other cause was likely to be compensated by an advance in the price. Now, however, a shortage of a crop throughout several states may occur and may be

¹ Wieser, *Natural Value*, pp. 19-21 and 70.

² Dr. C. H. Cooley, *Publications of the American Economic Association*, vol. ix, 1894, pp. 322-324.

³ Mulhall, *History of Prices*, p. 79.

⁴ *Michigan State Census, Bulletin No. 5.*

⁵ *The Nation*, vol. xlix, pp. 367-368; *The Cosmopolitan*, vol. xv, p. 216; *Bradstreet's*, vol. xix, p. 181.

accompanied not only by no advance but by a decline in the price. Take, for example, the corn crop of 1895. Owing to the drought, the crop in Ohio, Michigan and Indiana was seriously cut short ; but, because of the inflow of surplus from the West, not only was no relief obtained in these states from an advance in the price, but corn sold at a rate considerably below the average. From the social point of view it is, of course, a distinct gain that the distribution of the yearly food supply is so far perfected that local shortages seldom raise the price. But looked at from the standpoint of agricultural interests, the extension of transportation facilities throughout the West, by intensifying the adverse influence of unfavorable climatic conditions in the older states, rendered their agriculture less profitable, and thereby contributed in still another way to the depreciation of their farm lands.

6. The migrations of European peoples during the last fifty years and the land policy followed by the government of the United States in the disposition of the public domain are facts pertinent to the subject we are here considering. Migration, as here discussed, is a social phenomenon characteristic of the present century. Its origin was dependent upon means of transportation, and its volume has steadily increased with the extension of modern transportation facilities.¹ By 1840 the United States was just entering upon her career of railway construction. At that time there were 2818 miles of railway in operation, while in 1892 there were 175,204.² It is a significant fact that of the 16,750,000 immigrants who came to our shores between 1783 and 1892, less than 1,000,000 came prior to 1840.³ The reduction in the cost and discomfort of the ocean voyage, owing to the displacement of sailing vessels by steamships, has been scarcely less important in its influence upon immigration than railway construction itself.⁴

¹ Prof. R. Mayo-Smith, *Emigration and Immigration*, p. 45.

² *Statistical Abstract*, 1894, p. 305.

³ *Quarterly Reports of the Bureau of Statistics*, 1892-93, pp. 391, 393.

⁴ Prof. R. Mayo-Smith, *Emigration and Immigration*, pp. 45-47 ; *The United States of America*, edited by N. S. Shaler, vol. i, p. 303.

But immigration is not a fact to be viewed solely in connection with rapid and cheap means of transportation. The inducements and motives that give rise to its flow deserve consideration. Chief among these are the migratory instinct, the desire to escape compulsory military service, the yearning for greater political and religious freedom, and especially the hope of bettering one's social and economic condition.¹ In connection with the last, the marked liberality to the settler of the United States government in the disposition of the public domain is of paramount importance. No policy better calculated to stimulate immigration and promote the settlement of the public lands could well have been devised. The land grant act of 1850,² which led to the construction of the Illinois Central Railroad, and the Homestead Act of 1862 were events of the first importance.³ The former was the chief measure in the inauguration of a movement which dedicated 155,500,000 acres of the public domain to railway construction⁴; the latter appealed powerfully to the imaginations of men both at home and abroad by offering a home on the most liberal terms. These two acts, especially the latter, marked the abandonment of the policy which obtained in our earlier history of making a profit for the treasury out of the sale of the public lands. The debates in Congress upon the Homestead Act clearly recognize the profound economic truth that lands become a basis upon which the financier can maintain the credit of a nation only as they are brought under cultivation, and thus become a source of revenue through the taxing power of the state.⁵

The more remote social and economic consequences of modern transportation and immigration, and of the Homestead Act, were not, however, so clearly foreseen. The immediate effect

¹ Emigration and Immigration, United States Government Publication, 1885-86, *passim*.

² Donaldson, *The Public Domain*, pp. 261-265.

³ John Gilmer Speed, *The Chautauquan*, vol. xvi, 1892-93, p. 311; Charles C. Mott, *The Nation*, vol. xlix, 1889, pp. 406, 407.

⁴ Donaldson, *The Public Domain*, p. 268.

⁵ See speeches of Mr. Windom and Mr. Grow in the House of Representatives, *Congressional Globe*, second session, Thirty-seventh Congress, 1861-62, Part II, p. 1033 and Part I, p. 909.

was the settlement, as if by magic, of a region greater in territorial extent than the combined area of any five of the leading powers of Europe, Russia alone excepted. An avenue was opened for the overflow of the surplus population of Europe to a region where the soil responded bountifully to the exertions of the farmer. While there is a marked tendency for European emigrants to flock to cities,¹ yet in a number of American commonwealths where agriculture is the most important phase of industrial life, the inflow of foreign-born population has been very remarkable. In 1890, of the population of Michigan, 26 per cent were foreign born ; of Wisconsin, 31 per cent ; of Minnesota, 36 per cent ; of Iowa, 17 per cent ; of North Dakota, 45 per cent ; and of South Dakota, 28 per cent.² If to the foreign born are added natives born of foreign parents, the percentage in Michigan is 55 ; in Wisconsin, 75 ; in Minnesota, 75 ; in Iowa, 45 ; in North Dakota, 78 ; and in South Dakota, 60.³ These figures afford substantial evidence of the important part foreign immigration has played in the settlement of the great agricultural states of the Northwest. A vast storehouse of latent economic force has thus been rendered available ; each emigrant has greatly increased in efficiency as a food-producer, and, as a consequence, is able not only to produce enough to satisfy his own necessities, but also to contribute to the wants of others.

To appreciate adequately the forces thus called into action, it should be borne in mind that immigration and governmental policies attractive to the immigrant are facts not peculiar to the United States. Immigration has been going on in recent years to Australia, the Argentine Republic and Canada. Australia, by lessening the cost of transportation at state expense, has endeavored to attract the stream of immigration to herself⁴; the Argentine Republic has followed a similar policy, besides advancing capital to immigrants of a certain class to the

¹ Eleventh Census, volume on population, Part I, p. lxxxix.

² *Ibid.*, p. lxxxii.

³ *Ibid.*, p. lxxxiv.

⁴ Emigration and Immigration, United States Government Publications, 1885-86, pp. 510, 512, 514, 516.

amount of \$1000¹; and Canada, in addition to a land policy generous to the immigrant, has expended public money in cheapening his cost of transportation.²

The relationship of such facts as these to the subject we are considering is clear. Had Europe not had a surplus population eager for the opportunities of the new lands of the world, and had the land policy of the United States and the inducements to immigration of other nations been less liberal and attractive, the enlargement of the cultivated area would have been less precipitate, the increase in the *per capita* food supply less rapid, and the depreciating influence of transportation upon the value of the older farm lands of the world far less marked.

In our analysis of the relation of agriculture to means of transportation we have arrived at the following conclusions :

I. The development of modern transportation facilities has been the prime agency in causing a migration of agricultural industry, and in tending to concentrate it geographically in new fields of production.

II. The American railway system has been the indispensable condition for the settlement and development of the greater part of the United States, and its extension throughout the central and western states has contributed towards increasing marvelously their agricultural wealth.

III. The value of farm lands in the older states of the Union has enormously decreased, chiefly because of the cultivation of virgin soils — made possible by the extension of modern means of transportation throughout a large portion of the world. The conclusion is warranted that the economic condition of the agricultural interests of a number of states has been on the decline, and is much inferior to what it was some years ago.

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¹ *Ibid.*, p. 661 ; Bureau of American Republics, Argentine, pp. 88-90 and 148-157.

² Emigration and Immigration, United States Government Publications, 1885-86, pp. 573, 574, 580, 589 ; Donaldson, *The Public Domain*, pp. 483-485.



AN ANALYSIS OF AGRICULTURAL DISCONTENT IN THE UNITED STATES. II.

IV. THE SIGNIFICANCE OF THE INCREASE OF FARM MORTGAGES AND OF FARM TENANTS.

AS introductory to this part of our study stands the fact that between 1880 and 1890 the amount of mortgage indebtedness upon acre tracts, in distinction from city lots, increased 71 per cent, or two and one-third times as fast as agricultural wealth.¹ What is the significance of this enormous increase? Is it consistent with permanent economic and social progress? A satisfactory answer to these questions involves an analysis of the increase, and of the burden of mortgage indebtedness.

1. *The increase of mortgage indebtedness.*—It must first be noted, in connection with this topic, that eighty-three per cent of the growing volume of mortgage debt, 1880–90, was incurred to enable debtors to buy lands, erect buildings and make other improvements, and that more than ninety-four per cent of it represents durable property.² The object for which this increasing indebtedness was incurred indicates that it was voluntarily assumed — that, in the judgment of those who subjected themselves to its burden, there was reasonable ground to expect success to attend their venture. The owners of capital who made the loans were evidently of the same opinion. Professor Gunton has rightly said :

Debts, it is true, are often contracted to relieve personal distress, or to prevent a great loss of capital. . . . But this is not the chief function of debts. It occupies about the same relation to borrowing, as a whole, that auction sales do to the traffic of the merchants.³

¹ Abstract of Eleventh Census, p. 220.

² *Ibid.*, p. 214.

³ *Public Opinion*, October 10, 1895, p. 458.

At the same time, the fact that the employment of credit is increasingly necessary on the part of those who are struggling for industrial independence, is indicative of an inequality in the distribution of wealth.

The psychological conditions that have promoted the vast extension in the use of credit in general, have played a part in the increase of mortgage debt. Of chief importance here is the tendency of the American people to discount the future in their calculations and undertakings. Past experience shows such phenomenal social and material prosperity that it is natural for them to be animated with a spirit of hopefulness. As a consequence, debts are incurred, risks are assumed and enterprises started with a courage born of confidence in the future. It is probable that this spirit of unexampled and undoubted faith in the industrial future of the country is largely responsible for the startling growth of mortgage indebtedness.

That such a spirit stimulates borrowing is a truism. During every panic and period of commercial depression mortgage debts are contracted with reluctance, while during times of business revival and prosperity they are incurred as a matter of course. When the atmosphere is filled with hope, when confidence is unbounded, when there is not a threatening cloud above the industrial horizon — then it is that men of enterprise willingly assume the obligations of mortgage debt, and that capital most cordially welcomes the borrower. In accordance with this theory, we should expect a large amount of mortgage indebtedness in countries where the future is brightest, where industrial development is yet in its youth and where there are many in the prime of life, full of expectancy, industrious and aspiring to build homes. On the contrary, where nature has been most miserly in bestowing her riches, where social and political conditions are unsettled and where there is a population whose lives have been full of disappointment and who are by nature pessimistic — there we should expect to find a small amount of mortgage indebtedness.

It is generally conceded, for example, that our Southern States have lacked industrial enterprise. Consequently, we

find that of the families occupying and owning farms in Kentucky but four per cent have encumbered properties ; in Georgia, Florida and Tennessee, three per cent ; and in North Carolina, five per cent. Turning to some of the Northern States, we find the following percentages : Ohio, twenty-nine per cent ; Indiana, thirty-three per cent ; Michigan, forty-nine per cent ; and New York, forty-four per cent. Likewise, it is generally recognized that during the decade covered by the last census, there was unusual enterprise and industrial activity in the Southern States, owing to the ingress of Northern energy and capital ; yet it was during that period that the increase of debt was 110 per cent in North Carolina, 313 per cent in Tennessee, 262 per cent in Georgia, and 559 per cent in Florida.¹

Again, during the ten years ending with 1889, mortgage indebtedness increased much faster in the cities than in the country ; for the former the total was 217 per cent greater in 1889 than in 1880, while for the latter it was but 71 per cent greater. Yet during this period the cities offered larger industrial opportunities than the country, thousands of laborers acquired homes, building and loan associations multiplied and flourished, and urban wealth most rapidly increased.

That mortgage indebtedness has also greatly increased in the Western States is a fact known to all. In Kansas sixty per cent of the taxed acres are under mortgage ; in Iowa, forty-seven per cent ; in Nebraska, fifty-five per cent ; in Missouri, twenty-five per cent.² But wealth and social well-being have also multiplied. Probably no farming country in the world ever increased in wealth at an equal rate, or in so short a time attained those conditions that render life attractive and that minister to the intellectual, social and religious wants of man.

This line of thought has been forcibly summarized in the following language :

The important truth concerning debts is, that the poorer and more purely agricultural portions of the country are not those where mortgage indebtedness on farms and homes is the greatest. Debts

¹ Abstract of Eleventh Census, pp. 217, 231.

² *Ibid.*, p. 218.

abound where there is wealth and industrial opportunity, and because there is industrial opportunity. New York State with 6,000,000 inhabitants, Pennsylvania with 5,000,000 and Illinois with 4,000,000 have each of them a larger mortgage indebtedness than all the Southern States taken together, with a population of 22,000,000 and over. The six states in which the indebtedness is above \$100,000,000 contain only a third of the people of the United States, but their people have borrowed more than half the total amount loaned on mortgages.¹

This same explanation of the increase of mortgage debt is set forth by the commissioner of labor of Minnesota :

The years 1869, 1870 and 1871 witnessed a great increase of mortgages placed on record against acre property. These were years of great farm prosperity, and lands were mortgaged to secure money to improve the same. . . . Farm disasters always lead to decreased mortgages on farm lands. . . . The wheat crop of 1877 was equal to that of 1875 in the state, although an almost total failure in certain counties. In the counties with a failure the growth of mortgage debt was checked, but the good prices for wheat and the constantly increasing wheat production of Minnesota led to a great increase in mortgage debt in the state as a whole. . . . Years of disaster in any given county are followed by decreased relative amounts of mortgages, showing that farm mortgages in Minnesota are the results or accompaniments of prosperity and not of disaster.²

2. *The burden of mortgage indebtedness upon farms.* — From the preceding analysis it is evident that the mere fact that mortgage indebtedness has increased furnishes no basis for inference as to the burden imposed. The determination of this question involves a study of the conditions under which loans were negotiated, as well as a study of mortgage foreclosures and of the liquidation of mortgage debt.

In the negotiation of loans upon farm lands, the factors usually considered are the probable future value of the farm and its estimated net income, with which interest charges and principal may be promptly met as they fall due. Whether the burden of mortgage indebtedness has decreased will obviously

¹ Professor Gunton, *Public Opinion*, October 10, 1895, p. 458.

² Report for 1893-94, pp. 405, 406.

depend upon the extent to which the borrower accurately anticipated the future in these two respects.

In Part III of this study attention was called to the depreciating influence of transportation upon the value of farm lands in a number of the older states of the North. It is likely that a large number who invested in farms during the past ten years did so without an adequate appreciation of the presence of such a movement. The price of land is not quickly sensitive to declining rental value, and begins to respond to depreciating influences only after they have been at work for some time. For this reason it is probable that many purchasers of farms subject to mortgage have been unaware of the presence of a deep undercurrent steadily tending to lower their value. Again, the fact that for decade after decade land values had constantly risen persuaded many that such a thing as its depreciation was not to be considered. Even after the depreciation of farm lands was fairly under headway, there were not wanting those who refused to believe that there was any adequate reason for such a decline—who maintained that the lower values were exceptional in character and that it was only a matter of a few years when prices would recover. Such considerations as these render it probable that in all Northern States east of the Mississippi, save Illinois and Wisconsin, the burden of mortgage debt is heavier upon farm lands. In that portion of the country, however, where land values have been rising, the “unearned increment” has tended to relieve the burden of mortgage debt. The increase in the value of land, from four dollars per acre in 1872-74 to twenty-five dollars in 1892, as shown in Mr. Bently’s study of a Nebraska township, well illustrates this fact.¹

The further question, whether the income of farm land now subject to mortgage has been maintained at the point which the borrower expected, is obviously of paramount importance. The proximate causes of any decline of farm income, other things being equal, are two, — lower prices for agricultural produce and crop failure.

¹ Johns Hopkins University Studies, 11th Series, pp. 321, 322.

In regard to prices, it is noteworthy that many of the products of the farm have in recent years most seriously declined. For example, the average farm price of wheat during the four years 1888-91 was eighty-two cents per bushel; while during the following four years, 1892-95, the price averaged but fifty-five cents, a decline of thirty-three per cent. That is, to pay off a debt of \$1000 during the latter period would have required on the average about six hundred bushels more of wheat than during the former. The average aggregate farm value of the wheat crops during each of the four years of the first period was \$393,000,000, while for each year of the latter period it was \$249,000,000, a falling off of thirty-six per cent.¹ In 1895 nearly twice as many horses were required to pay interest or to discharge the principal of a debt as in 1891.² Moreover, the average price of middling cotton during the four years 1892-95 was twenty-six per cent less than during the preceding decade. The price of sheep and wool averaged fully thirty per cent less during 1894-95 than during the ten years preceding. Barley sold on the average for twenty per cent less during 1893-95 than during 1883-92. The prices of corn, potatoes and oats during 1895 were less than their average for the decade 1885-94. Of the principal farm products, cattle, hay and hogs were noteworthy exceptions, averaging higher in price during 1892-95 than for a decade.³ The year 1896 (now three-fourths gone) promises a level of prices for farm products considerably lower than 1895.

This decline in the prices of farm products has not been offset by any corresponding decrease in the cost of production.

¹ United States Department of Agriculture, Crop Report, December, 1895, p. 6. The farm prices of wheat found in this report, and upon which all the comparisons made above are based, are simply the averages of December prices estimated yearly by the Agricultural Department. Nearly the same results, however, are obtained by using the yearly average prices of wheat at Cincinnati, as found in the Chamber of Commerce Report of that city for 1895. It is worthy of remark, also, that the price of wheat, during 1892-95, averaged twenty per cent less than during 1884-87, though the average during the latter period was less than the gold price for any preceding year since 1869.

² Statistical Abstract, 1894, p. 293.

³ Cincinnati Chamber of Commerce Report, 1895, pp. 114, 150, 151, 173.

The four years 1892-95 were not marked by any revolution in agricultural methods. There were few farm implements employed in 1895 that were not generally in use in 1891; and even if their price during these four years underwent considerable reduction, the interval was too brief for implements already in use to be replaced to such advantage as to lessen materially the cost of production. East-bound freight rates between leading points did not appreciably decline. The cost of farm labor also diminished but slightly. Taxes for state purposes were steadily maintained, tending to increase rather than to diminish. It follows, consequently, that this fall in the prices of farm products has tightened the grip of mortgage debt upon the American farmer.

Even more destructive than falling prices to the labors of the energetic and aspiring husbandman is crop failure. This fact is best illustrated by conditions in portions of the Dakotas, Nebraska, Kansas, Oklahoma, the Indian Territory and Texas. In parts of Kansas and Nebraska agriculture has been in a marked degree subject to all the uncertainties of a capricious climate. As you cross the plains the rainfall steadily decreases,

but no stakes can be set to warn the settler that thus far shall he go and no farther. . . . Some of the counties in Kansas lying within this belt have been populated and depopulated, in a measure, two or three times. One or two years of exceptional rainfall bring in a fresh throng of settlers to take the place of others who have given up the struggle; they in turn are impoverished by the dry years that are sure to follow, and abandon their farms.¹

Concerning crop failure in recent years in Kansas, Governor Morrill of that state says:

I think it probably true that land in some parts of our state has declined in value fifteen per cent since 1884. The western part of the state is subject to droughts. The rainfall there in nearly all seasons is below what is required to make a good crop. I know there was a great rush of people to that section of the country to take homesteads, and for a time land sold very readily. The failure of

¹ E. V. Smalley, *The Forum*, vol. xix, 1895, pp. 466-468.

crops for the past three years has caused a stampede from that section, and land is difficult to sell now at any price.¹

The disaster thus entailed upon the agricultural interests of the drought-stricken portion of the state is reflected in a decrease of population.

In 1890 Kansas had 1,427,096 people. In 1895 the state census found only 1,334,668 within her borders. The counties in the eastern part of the state, which enjoy a sufficient rainfall for agriculture, exhibited gains, but in the western-central and western counties there was an absolute loss of about 200,000, — a greater number than is contained in the entire state of North Dakota. . . . The causes which produced the partial depopulation of the western part of Kansas were equally operative in western Nebraska [and in North and South Dakota].²

The economic history of wheat production in Minnesota is also full of examples illustrating how crop failures act as income-destroyers, and as promoters of the burden of mortgage indebtedness.³

All classes of farmers, however, are not equally injured by such unanticipated occurrences. The differences have been clearly indicated by the labor commissioner of Minnesota.

In an old and well-settled and prosperous farming community these disasters or misfortunes in modern times bring with them no dire results. The average farmer has sufficient wealth of his own, available resources of various kinds, or the facilities for credit to carry himself and family through the evil days and into the ever-returning periods of good crops, fair prices and returning prosperity. This is not the case with new farmers with small resources in a new country. . . . They cannot command sufficient credit to carry them to the better times, and their farms are sold by mortgage foreclosure. [Consequently] in a new country . . . farm failures become very numerous after every general loss of crops due to any cause and also after every period of depreciated prices for farm products.⁴

¹ Private letter to the author, dated October 3, 1895.

² E. V. Smalley, *The Forum*, June, 1896, p. 489.

³ Fourth Biennial Report of Minnesota Labor Bureau, 1893-94, pp. 493, 494.

⁴ *Ibid.*, pp. 460, 461.

With this view of the conditions under which the loans were secured, let us turn to a study of mortgage foreclosures and the liquidation of mortgage debts.

Probably there are no more accurate measures of the burden of mortgage indebtedness than the relative frequency of foreclosures and the progress made in the liquidation of the debts. The data at hand permit the consideration of mortgage foreclosures in New Jersey, Illinois and Minnesota, the liquidation of farm mortgages in Michigan, and the relative rates at which mortgage debts upon acre tracts and city lots were liquidated during the ten years ending with 1889 throughout the various states of the Union.

It is the general impression that the number of failures is relatively less in farming than in other gainful pursuits. In New Jersey, however, for almost a decade the average yearly number of foreclosure executions upon farms somewhat exceeded the number of mercantile failures in that state reported by *Bradstreet's*.¹ The reluctance with which capital is advanced upon farm lands also indicates the unfavorable agricultural conditions existing in New Jersey.² It is, moreover, reasonable to suppose that all of the states whose farm lands declined in value have suffered some of the disadvantages of mortgage debt that are illustrated by New Jersey. It is of interest to note that in nearly all such states the number of mortgages given yearly throughout the last decade, upon lands used for farm purposes, did not increase, and in some instances actually decreased. In a considerable number of them, when due allowance is made for the number of acre tracts subject to mortgage and held for speculative purposes within city limits, there was a noticeable decrease in the mortgage indebtedness incurred upon lands used for farm purposes. This fact of itself probably indicates that the chances of agricultural success, in states whose lands have declined in value, have been such as to give little encouragement either to the borrower or to the lender of money upon farm lands.

¹ Report of New Jersey Labor Bureau, 1889, pp. 324, 325.

² *Ibid.*, pp. 327-329.

In Illinois, in 1886 and 1888, the rate of mortgage foreclosures upon lots was somewhat less than upon acres.¹

In Minnesota, owing mainly to the introduction of diversified farming, the farmer was better off in respect to foreclosures during 1892-93 than at any previous time in the history of the state.² Moreover, in 1893 the rate of mortgage foreclosure upon acre property used for farm purposes was less than upon city lots or acre tracts held for speculative purposes in the vicinity of cities.³ To what extent Minnesota, in regard to mortgage foreclosures, is representative of other trans-Mississippi states whose lands are rising in value, it is impossible to say with any great certainty. In states like Iowa and Missouri, where both soil and climate are well adapted to agriculture, where the farm population is possessed of considerable accumulated resources and credit, and where a fairly well-diversified system of crop production exists, it is fair to infer that mortgage foreclosures have not been unusually frequent. But in sections subject to prolonged and disastrous droughts, and having inhabitants possessed of meagre resources, such as western Kansas and Nebraska, mortgage foreclosures have beyond question registered a high degree of agricultural disaster in recent years.

Upon the liquidation of mortgage indebtedness in Michigan, the reports of the state bureau of labor for 1888 and 1893 throw some light. The report for the latter year⁴ showed a slight decrease in the percentage of farms and of acres mortgaged, in the amount of mortgage debt and in the percentage of debt to the assessed value of farms encumbered, with a consequent falling off in the annual burden of interest of \$471,581.

With regard to the relative rates at which the liquidation of mortgage debts upon acre tracts and city lots proceeded during the last decade, the following tables⁵ are submitted :

¹ Eleventh Census, volume on Real-Estate Mortgages, p. 107.

² Fourth Biennial Report of Minnesota Labor Bureau, 1893-94, pp. 497-499.

³ *Ibid.*, 481-483.

⁴ Pp. 1, 177.

⁵ Eleventh Census, volume on Real-Estate Mortgages, pp. 25, 87, 309. The above tables do not take into account the extent to which liquidation has taken

REAL-ESTATE MORTGAGES MADE IN UNITED STATES, 1880-89.

	NUMBER.	AMOUNT.
Total	9,517,000	\$12,094,000,000
On acres	4,747,000	4,896,700,000
On lots	4,770,000	7,198,000,000

REAL-ESTATE MORTGAGES IN FORCE, JANUARY 1, 1890.

	NUMBER.	AMOUNT.
Total	4,777,000	\$6,019,000,000
On acres	2,303,000	2,209,000,000
On lots	2,474,000	3,810,000,000

LIQUIDATION EFFECTED, 1880-89.

Estimated mortgage debt, January 1, 1890	\$2,494,000,000
Mortgages executed since	12,094,000,000
Total	\$14,588,000,000
In force, January 1, 1890	6,019,000,000
Amount liquidated	\$8,569,000,000

These figures indicate that the rate of mortgage liquidation upon acre tracts was 54.89 per cent, and upon lots 47.06 per cent. The amount of mortgage debt resting upon acre tracts, however, gives one an exaggerated idea of the volume of debt carried by the farm lands of the nation. A considerable portion of such land is held for speculative purposes in the vicinity of cities, and cannot properly be considered as farm land in an investigation of the debt under which the agricultural interests of the country are laboring. Lands used for farm purposes and occupied by their owners were subject to an aggregate incumbrance, January 1, 1890, of \$1,086,000,000. This debt rested upon 887,000 farm families, and represented 35.55 per cent of the value of the farm lands encumbered.¹ There is, of course, some mortgage debt upon farms not occupied by their owners and leased to tenants. The volume of such debt, how-

place by means of foreclosure executions. The information given in the census upon this subject has been already referred to in considering foreclosures in New Jersey, Illinois and Minnesota.

¹ Abstract of Eleventh Census, pp. 225, 232.

ever, is believed to be inconsiderable ; and the well-being of a class able to live upon the rental of the farms they own need not excite the serious concern of the public.

Again, it should be borne in mind that the mortgage debt in force, January 1, 1890, was distributed within each state largely according to industrial strength. In such states as Iowa, Kansas and Nebraska, where agriculture is the principal industry, the greater part of the mortgage debt rests upon farm lands ; in states having great manufacturing interests and large urban development, such as New York and Massachusetts, the debt upon homes is greatly in excess of that upon farms.¹ Owned and encumbered farms, however, were less heavily mortgaged than owned and encumbered homes, the former being mortgaged for 35.55 per cent of their value and the latter for 39.77 per cent.²

3. *The increase of farm tenants.* — The last United States census showed a marked increase, not only absolutely but relatively, in the number of farm tenants. In 1880, 30.93 per cent of the farm families hired their farms ; in 1890, 34.17 per cent. During that decennial period there was in Ohio, Indiana and Illinois a loss of 22,300 owning farmers and a gain of 18,887 tenant farmers. In forty-seven states and territories the number of owning farmers increased 274,300, and the number of tenant farmers 349,100.³

In order to explain the presence and increase of farm tenancy, and to ascertain whether landlord and tenant classes are in process of evolution in the United States, it is necessary to analyze several features of tenancy.

¹ Abstract of Eleventh Census, p. 232.

² *Ibid.*

³ *Ibid.*, pp. 97, 225. The figures given above were obtained by assuming that the ratio of farm-owning families to farms cultivated by owners, and of farm-tenant families to farms cultivated by tenants, was the same in 1880 as in 1890. The only figures on farm tenantry in the census of 1890 that are directly comparable with the figures for 1880 are those giving the number of farms cultivated by owners and by tenants respectively. Comparison of these shows that in 1880 25.56 per cent of the farms were cultivated by tenants, and in 1890, 28.37 per cent. In forty-seven states and territories the number of farms cultivated by owners increased 285,422 ; the number cultivated by tenants, 270,312. In Ohio, Indiana and Illinois the number cultivated by owners decreased 22,394, and the number cultivated by tenants gained 15,729.

1. One factor of much influence in making the percentage of farm tenants in the United States so large is the industrial condition of the South. In the South Atlantic States forty-five per cent, and in the South Central States forty-eight per cent, of the total number of farm families are tenants ; while the percentage in the North Atlantic group is twenty-one, in the Rocky Mountain and Pacific eighteen, and in the North Central twenty-six.¹ The existence of such a large class of tenant farmers in the Southern States cannot, however, in the light of industrial history be held to be an unfavorable symptom. Tenancy in these states simply marks the step from an industrial system based upon slavery to one of freedom.²

2. Especially significant in connection with the increase from 1880 to 1890 in the percentage of farm tenants is the fact that during those ten years 5,246,613 emigrants, or one-third of our total immigration from 1820 to 1890, came to our shores.³ The average *per capita* wealth which this great invading army of unskilled workers brought with them was considerably less than \$100.⁴ Their meagre resources rendered it inevitable that so far as they found a place as agriculturists in our industrial organism, they should appear as farm laborers and tenants rather than as farm owners. The natural increase of our native and foreign-born population, at the rate of between a million and a million and a half a year during the last decade, has also tended to swell the number of farm tenants. Instances are exceptional where parents with several children in the family are able to provide each with a farm. In large families some of those who elect farming as a pursuit must therefore start either as hired hands or as farm tenants. In connection with the increase of population, the exhaustion of the desirable portion of the public domain and the prosperity of farm owners are pertinent facts. When government land was more abundant, there was but one step from the condition of a hired

¹ *Quarterly Journal of Economics*, October, 1895, p. 38.

² *Annals of the American Academy of Political and Social Science*, September, 1893, pp. 265-268.

³ *Quarterly Reports of the Bureau of Statistics*, 1892-93, p. 399.

⁴ *Ibid.*, p. 409.

laborer to farm ownership. Now, it is necessary first to become a tenant; and but for the fact that some farm owners have prospered sufficiently to be able to rent their farms, hired laborers, desirous of rising to tenancy, would have no industrial opportunity.

3. The increase in the relative number of farm tenants in some states is the result of agricultural disaster. President Fairchild of Kansas Agricultural College writes me as follows:

There is always a considerable body of young men who first rent farms and afterward come to own them. In this state, however, some peculiar conditions have increased quite beyond the normal the number of tenants. The whole western third of the state was settled by a boom in farm lands. Multitudes of settlers took claims without means of their own, expecting to pay for the land from the immediate profits of farming. Multitudes of them mortgaged the land for improvements, and multitudes more expended the proceeds of mortgages in living. When it was found that the proceeds of farming in that part of the state were very uncertain, at best, the mortgages became due. And in many instances those who had been nominally owners remained upon the farms as tenants after foreclosure. These are but the natural effects in reaction from a tremendous boom.

Another reason for apparent increase of tenants is found in the general hesitation to accept mortgages following immediately after the panic; which panic, you will remember, began in Kansas real estate long before it was felt in the general commercial world. Under ordinary circumstances, a thrifty young man can buy a farm with a very small cash payment. For the past seven years, with property declining, neither the buyer nor the owner will take the risks of such a trade.

With these various influences working for the development of a tenant class, few questions are of greater interest to the student of social relations than the ultimate destiny of the increasing number of farm tenants. Are they doomed to remain always in a state of relative industrial dependence, or will economic conditions permit them to rise to a higher industrial level?

Two considerations indicate that it is possible for farm tenants to become land owners. In the first place, the resis-

tance to be overcome in taking such a step is not very much greater than that encountered by the settlers who took up land on the public domain under the homestead laws. The necessary outlay of the early settler, in addition to the cost of transporting himself and his family to the West and of living during the year or perhaps two years which intervened before a regular crop could be raised, has been estimated at \$1000.¹ The same amount of money will enable its possessor at the present time to become the owner of a farm fairly well improved in either the eastern or the western division of the Central States. Such a farm owner would enjoy better markets, and would not have to endure the long years of isolation, involving social, educational and religious deprivation, which it was the lot of the early settler to undergo. It is true, of course, that prices for the products of the farm have very much declined in recent years; but it is also true that farm land in many of the states referred to above can be had at prices twenty-five to fifty per cent lower than fifteen years ago.

In the second place, the percentage of farm tenants in the Northern states is frequently greatest where the soil is most fertile and the conditions most favorable to agricultural prosperity, and is often smallest where nature most scantily rewards the labors of the agriculturist. Thus, in Illinois thirty-seven per cent of the farm families hire their farms; in Iowa, twenty-nine per cent; and in Missouri, thirty-one per cent. In Massachusetts, however, but fifteen per cent of farm families are tenants; in Maine, seven per cent; in Connecticut, seventeen per cent; and in New Hampshire, ten per cent. In the single state of Illinois there are nearly four times as many farm tenants as in all New England.² In Minnesota, the best and most prosperous counties show the largest actual and relative number of tenants. In the counties with the smallest ratio of mortgage foreclosures, the percentage of tenants is greatest; and relatively few tenants are found in counties where the ratio of mortgage foreclosures is large.³ Probably no one would

¹ Rodney Welch, *The Forum*, vol. viii, 1889-90, p. 588.

² Abstract of Eleventh Census, p. 225.

³ Fourth Biennial Report of Minnesota Labor Bureau, 1893-94, p. 68.

deny that the conditions are more favorable to agricultural success in the North Central than in the North Atlantic States. Yet in ten years, 1880-90, the number of farms cultivated by others than their owners increased twenty-three per cent in the former and but nine per cent in the latter.¹ During the same decade, the net gain in the number of rented farms in the New England States was but fifty-eight, and in each of four of these states the number was less at the end than at the beginning of the period.² The obvious explanation of this condition of affairs is that tenants naturally drift to the best farming sections, for it is in the best sections that farmers become prosperous enough to retire and lease their farms. The important fact to which attention is here directed is, then, that farm tenants are most numerous where the conditions are most favorable to their becoming farm owners.

Not only is it possible for tenants to rise to farm ownership, but there is positive evidence that this is just what is taking place at the present time. For example, in Minnesota one out of every nine farm tenants rises to ownership each year, and one out of every four of the most efficient. That is, of the 17,982 tenants in Minnesota, more than 2000 annually rise to ownership. Moreover, ninety-four per cent of those who have lost farms by mortgage foreclosures in that state have been able in a short time to regain their earlier condition as farm owners. In Minnesota, therefore, "the growth of tenancy . . . is part of a movement lifting a large number of people by slow and sure stages from small beginnings to independence on the farm."³ Upon this subject President Beardshear of Iowa Agricultural College writes me as follows:

I think there is quite a tendency among renters of Iowa farms to become owners of farms in the near future. Out of four renters under my supervision upon an Iowa farm in ten years, three of them became independent and purchased farms for themselves. Iowa Agricultural College has leased quite a number of thousands of acres of land in the last twenty years with condition that they could be

¹ Eleventh Census, volume on Agriculture, p. 116.

² *Ibid.*

³ Report of Minnesota Labor Bureau, 1893-94, pp. 67-69.

purchased at a nominal sum at the expiration of a certain number of years. A vast majority of these renters have purchased the land at the expiration of the leases.

The success with which tenants struggle for farm ownership may be roughly measured by comparison with the success of heirs in retaining ownership. Nearly every country community is rich with examples of individuals who have lost the farms they inherited. In the farm community where the writer once lived and with which he has been familiar all his life, the farms which descended to heirs have in the great majority of cases for one cause or another been transferred to new owners. Often the explanation is found in thriftless or bad habits. Frequently, however, embarkation in some line of business other than farming is responsible. With the record of this class of owners the industrial career of farm tenants compares favorably. While the statement cannot be made upon statistical authority, the percentage of farm tenants who fail of property ownership is probably not much greater than the proportion of financial wrecks among those who inherit farms. If this be admitted, it follows that the farm tenant is relatively not unduly handicapped in the race of life.

In conclusion, the subject of farm tenancy suggests two lines of thought:

1. It is probably true that farm hands do not rise through tenancy to ownership as frequently as they did forty or fifty years ago. Observation and reflection, however, lead the writer to the opinion that the main reason is not poverty, or the lack of opportunity, or a want of industry, but indulgence in a higher standard of living than is prudent for them. The single fact that wages of farm labor in a large part of the United States have almost doubled within half a century is in itself adequate proof of this.¹ In the economic thinking of recent times, the old doctrine of saving has largely been replaced by that of liberal expenditure.² Doubtless a truth that has heretofore been overlooked is thus brought to view

¹ Statistical Division, U. S. Department of Agriculture, Miscellaneous Series, Report No. 4, 1892, pp. 54-69.

² Gunton, Social Economics, pp. 78-80.

and put in its proper place. Nevertheless, that which was true in the old doctrine of saving still remains. Had society never laid by a portion of the product of its labor, it could never have emerged from barbarism.¹ "As far as the masses of the people are concerned, . . . the acquirement of moderate riches is at the price of much self-denial through life."²

In the average country community, the tendency of the farm hand to supply himself with a horse and buggy or a bicycle is probably as much responsible as any other one factor for the continuance of the class in a state of industrial dependence. Such expenditures not only absorb the earnings of the laborers, but soon lead them to give up their hope of becoming farm owners. Furthermore, competent observers of rural affairs declare that, compared with forty years ago, farm hands are a less capable body of men — that they are more deficient in business judgment and forethought, and especially in ambition to rise socially or to improve their economic condition. In every country community, moreover, there are a considerable number addicted to drink, who, were they carefully to husband their earnings, would not have to work any harder to become farm owners than they now do to add to the profits and prosperity of the saloon-keeper.

It is a noteworthy fact that farm ownership is less prevalent among those farmers who are natives of the United States than among those who are natives of any other country, Italy alone excepted.³ This cannot be explained by supposing that those of foreign birth had the advantage of more ample means at the start. Facts to which attention has already been called render such an hypothesis impossible.⁴ The only plausible explanation is that they have been more successful in practicing the economy necessary in order to become the owners of farms. It is, however, difficult to evade the conclusion that the tendency to a rise in the standard of living is an unfavorable condition which those who would rise to farm

¹ Francis A. Walker, *Political Economy*, pp. 61-66.

² G. K. Holmes, *POLITICAL SCIENCE QUARTERLY*, vol. viii, 1893, p. 598:

³ *Extra Census Bulletin*, no. 98, p. 3.

⁴ *Ante*, p. 613.

ownership have to overcome. The temptation to indulge present and newly developed tastes rather than to apply one's earnings to the purchase of a farm is thereby increased.

Everywhere we notice that the higher standards of living and of respectability are demanding more time in preparation for life and increased expenditure of income, are postponing the time of marriage and reducing the birth-rate, and, along with other results, are postponing, if not preventing, the ownership of homes.¹

2. One cause that promoted the downfall of the English yeomen was the fact that land was, more than any other form of property of the time, a source of income, as well as of power and influence, to its possessor. In marked contrast with that condition of affairs is the fact that in modern society farm lands have to a great extent been displaced by other means of securing income, power and social prestige. "Investments in lands which are valuable for agriculture only, are not regarded with favor by capitalists. Better use for their money is found elsewhere."²

The banker, merchant, manufacturer and capitalist have become wealthier than the landowner. The moneyed classes have supplanted the landed classes in importance. The banker millionaire is greater and more powerful than the ducal landlord. Land, the old source of centralized wealth, inordinate power, caste privileges and hereditary rights, no longer maintains its preëminent importance.³

These facts, in connection with the question we are considering, are full of significance. Indicating an absence of adequate motive for the wealthy classes to seek landed investments, they show that one of the most potent influences in promoting the development of landlordism is absent in the United States.

Mr. George K. Holmes, one of the special agents in charge of the volume of the eleventh census on real estate mortgages, in a personal letter of September 26, 1896, says:

I have been unable to find in the observation and experience of hundreds of census agents, who did work in all parts of the United States in collecting statistics of mortgages, that capitalists are seek-

¹ G. K. Holmes, *Quarterly Journal of Economics*, October, 1895, p. 45.

² Hugh McCulloch, *Men and Measures of Half a Century*, p. 525.

³ Cook, *Corporation Problem*, p. 189.

ing investments in farms, except in so far as they lend money to farmers on farm mortgage securities. These lenders do not want the farms.

It is true that there is a tendency among the fashionable and wealthy classes in the cities to desire land for summer residences. It is unlikely, however, that this movement will ever seriously encroach upon the cultivated lands of the United States. Not only are large estates seldom in demand for such purposes, but, in general, land occupied by the summer residences of the rich is in the neighborhood of the ocean, the mountains or the Great Lakes, and is not suitable for agricultural purposes.

Our study in this section of farm debts, ownership and tenancy leads to two general conclusions:

1. The volume of mortgage debt is, in general, distributed according to the wealth, energy and enterprise of the people. Its burden upon farm lands has been increased by the marked decline of agricultural prices in recent years. This increased burden is reflected in the large number of mortgage foreclosures in states whose lands have declined in value, and in those sections where crop disaster has overtaken the agriculturist.

2. The increasing numbers of our population, the exhaustion of the desirable portion of the public domain, the prosperity of farm owners, the rise in the standard of living, and, in some sections, agricultural disaster — these are facts that largely explain the growth in the relative numbers of farm tenants. On the other hand, the fact that the majority of the tenants are found on the best lands, the positive evidence of their rise to ownership, the frequency with which those who inherit farms lose them, and the undesirableness of farm lands as an investment for the rich — these circumstances do not indicate that those who are now tenants are to continue in that condition, or that classes whose permanent relationship is to be that of tenants and landlords are in process of development.

V. FOUR REMEDIES FOR THE AGRICULTURAL DEPRESSION
CONSIDERED.

Before discussing several remedies proposed in the interest of the farmer, certain unfavorable conditions, which make it impossible to adjust supply to demand so as to render the business of the farmer continuously profitable, deserve consideration.

1. Foremost among these conditions is the vastly increased supply of farm products which, through the efficiency of modern methods, are put upon the market. Among the factors chiefly instrumental in effecting this result are improvements in transportation and communication.¹ By rendering the world's markets accessible to the products of the most remote corners of the earth, not only have they increased the forthcoming supply of such staples as breadstuffs and meats, but, by enlarging the variety of food products, they have contributed still further to the abundance of the food supply. Formerly,

the food supply came only from the neighborhood, and was diversified only by the seasons. Now it is replenished from every zone. . . . The grocery store of Chicago and that of New Orleans, the market-places of London and those of Calcutta might change places in a night, without revealing any striking novelty to their patrons the next morning.²

In the presence of a harvest all the while ripening somewhere round the globe, a large surplus or a crop of unusual size in any country exerts a depressing influence upon the price level of the entire world.

Science and invention have also increased the food supply by utilizing what were formerly waste products. For example : Within a few years the city of Chicago produced more tons of artificial butter than any state of the Union could show of the genuine article.

¹ Cotton and oats illustrate this fact. During the ten years ending with 1895, the railway mileage of the United States increased forty per cent. During the same period, the annual *per capita* product of cotton averaged ten per cent more, and its price twenty per cent less than during the preceding ten years; while the *per capita* production of oats averaged seventeen per cent more, and its price 8.5 per cent less.

² Judge P. S. Grosscup, Commencement Address at Wittenberg College, *Chicago Inter-Ocean*, Friday, June 5, 1896.

Filled cheese has destroyed the foreign market, which was formerly so good, for the American dairy product, and so reduced the price of the unadulterated article as to make its manufacture quite unprofitable. The canning and cold storage of products which were until within a very recent period so perishable as to enter into the consumption only during brief periods of each year, and over limited areas, have transformed them into considerable ingredients of the world's supply of staple necessities. Vegetables, fruits and fish have thus come into direct competition with grains and meats, thereby still further increasing the disparity between the demand and supply of agricultural foods. In this way the unused surplus of agricultural products and their equivalents is year by year swelled, to the manifest disadvantage of the producer, and to the apparent enhancement of the world's productive capacity.¹

Nor is it probable that the increase in the supply of food products has yet reached its limit.

A scientific survey of the food-producing capacity of the earth, even with little, if any, enhancement of the present supply of labor, makes it evident that the present supply might be largely increased, possibly doubled, within the scope of existing lives.²

2. Concurrently with an increase in the supply of the products of the field, the progress of invention has tended in certain respects to curtail demand for them. Such animal products as tallow and grease, for example, have been largely displaced for lighting purposes by the mineral products, petroleum and coal. Red dye, once obtained from a vegetable, is now derived from the product of a mineral. Wood first gave way to coal for purposes of combustion, and then to iron and steel as materials for construction. The utilization of cottonseed oil in the production of lard and its substitution for tallow and grease in the manufacture of soap have unfavorably affected the prices of hogs and cattle. Cocoa oil has also come to be largely employed in making soap; and the large importation of this oil is at once the measure of the popularity of the soaps into which it enters, and of its own depressing influence upon

¹ Albion W. Tourgee, *The American Journal of Sociology*, July, 1896, p. 17.

² *Ibid.*, p. 16.

the prices of cattle and hogs, the by-products of which it displaces. One of the most striking examples, however, is the substitution of electricity for horses as the motive power in the street-railway service, thereby diminishing not only the value of horses, but also that of all kinds of feed and forage.

It has been estimated that electric lines have already displaced no less than 275,000 horses. . . . At a moderate computation this number of horses would require about 125,000 bushels of corn or oats a day. A decrease of 125,000 bushels a day is equal to 45,000,000 bushels a year, enough to appreciably affect the prices of those grains.¹

The bicycle has exerted a similar influence. Its worst effects have probably appeared in the horse and carriage trades, and allied businesses. "The practice of horseback riding is nearly extinct, and saddle horses are a drug in the market."²

3. The dependence of agricultural profits upon the uncertainty of the weather is another of the unfavorable conditions with which the farmer must contend. With the disastrous consequences of crop failure we are already familiar.³ But nature frequently, though not as disastrously, interferes with the farmer's prospects by rewarding his labors with an over-abundant harvest. The corn crop of 1885, for example, though only slightly greater in area than that of 1887, was nearly 500,000,000 bushels greater in yield, while the aggregate money value was \$20,000,000 less. Again, a large increase of acreage, accompanied by favorable weather for the growth of the crop, sometimes results in such an enormous yield as to deluge the market and kill the price. Thus, in 1889 favorable weather, in connection with an acreage 6,600,000 greater than in the following year, resulted in an unprecedented crop of some 650,000,000 more bushels than in 1890, but so flooded the market as to net the producers \$150,000,000 less.⁴ Further, for each of the four years preceding 1889 the acreage of oats

¹ *Public Opinion*, vol. xix, 1895, p. 412.

² J. B. Bishop, *The Forum*, August, 1896, p. 686.

³ *Ante*, pp. 607-608.

⁴ Report of Secretary of Agriculture, 1893, p. 478.

was less than for that year, and the yield also was considerably less ; but the total value of the crop was invariably greater.¹ The acreage of cotton in 1891-92 was 2.3 per cent² less than in the preceding year, the yield 379,800 bales greater,³ and the total money value of the crop \$37,000,000 less.⁴ The acreage in 1893-94 was only slightly in excess of that of 1892-93, yet the yield was 849,500 bales greater, while the aggregate value to the producer was \$4,143,000 less.

4. The extent to which agriculture is carried on in modern industrial society, with the purpose of supplying the market, frequently results in production ill adjusted to existing conditions. The farmer expects to consume only a small part of the products of his labor, and to exchange the remainder for articles suited to his wants. Each agricultural producer, proceeding without an intelligent knowledge of what his fellows are doing, endeavors to create a maximum product. The result is that the wealth-producing energies of the farmer are not properly distributed, and the products of his labor are not adjusted in the proper proportion to the wants of society. Consequently, the producers of such food products as exist in relative over-abundance are injured in the process of exchange by receiving less than an economic equivalent for the product of their toil.

Four of the unfavorable conditions under which the business of the farmer is conducted have now been considered. To the extent that population multiplies under the stimulus of a bountiful food supply, the increasing abundance of farm products tends to correct itself. Any measure capable of promoting the *per capita* consuming power of the masses or of diverting energy now expended in food production to some more profitable field of employment would afford some relief. The curtailment of production through the development of a taste in the

¹ Report of Secretary of Agriculture, 1893, p. 483.

² Senate Report No. 986, 53d Congress, 3d Session, Committee on Agriculture and Forestry, on "Condition of Cotton Growers in the United States," *etc.*, part ii, p. 357.

³ Report to the St. Louis Merchants' Exchange, 1894, p. 147.

⁴ Cincinnati Chamber of Commerce Report, 1894, p. 174.

community for other than productive employment would also have a favorable influence. The unfriendly influence of climate can to a small extent be overcome by irrigation, or by the adoption of a system of agriculture better suited to climatic environment. By increasing the diffusion of information, so that the farmer may expend his energy with a better knowledge of what his fellows are doing, the evils of disproportionate production may be slightly diminished. But here the prospect of amelioration ends. Beyond what is involved in the above suggestions, it is probable that no remedy, legislative or other, can render the influence of these conditions less unfavorable to profitable crop-production. They are for the most part unalterable, and no discussion of any remedy proposed in the farmer's interest can proceed intelligently without holding them constantly in mind. They therefore mark the limit within which statesmen and others interested in the welfare of the farmer should confine their efforts. The recognition of such limitations may dampen the zeal of social enthusiasts; but, on the other hand, it will discourage them from advocating fanciful and impracticable schemes, and will save society from the economic loss arising from the unstable business conditions which these schemes create.

Proceeding now to the remedies that have been proposed for the difficulties of the agricultural class, we shall consider only four : namely, the free coinage of silver, a general property tax, an export bounty on agricultural staples and a greater development of thrift among the farmers.

1. *The free coinage of silver and the farmer.* — That the general range of prices for the products of the farm has greatly declined since 1873, no one will deny. There are those who, overlooking the influence of the forces to which attention has just been called, believe that the cause of this fall is the appreciation of gold. Whether or not gold has really appreciated (that is, become dearer in terms of commodities because of its scarcity) is beyond the scope of the present inquiry. Assuming that it has, let us consider to what extent changes in the prices of farm products during the past twenty-three years can be satisfactorily explained as a result of such appreciation.

The index numbers representing the weighted average price in gold of nine farm products — barley, corn, cotton, hemp, meats, oats, rye, tobacco, wheat — from 1873 to 1891 are as follows:¹

1873	106	1883	102
1874	123.5	1884	100.8
1875	116.8	1885	87.9
1876	91.9	1886	87.5
1877	96.5	1887	89.6
1878	89.7	1888	93.6
1879	91.1	1889	86.5
1880	102.9	1890	93.7
1881	117.1	1891	98.4
1882	120.3		

Even a casual survey of these figures shows the utter futility of attributing the movement of farm prices to an appreciation of the monetary standard. Assuming that the lower level of 1891 as compared with 1873 is due to appreciation, it is clear that the higher levels of 1874, 1875, 1880, 1881 and 1882 cannot be thus explained. Still less adequate is the increasing value of the monetary standard to account for the fluctuations in price of any one farm commodity. Further, the index numbers indicate that the prices of tobacco, rye, meat and corn were higher in 1891 than in 1890, while the prices of barley, cotton and oats were lower.² In the presence of these facts, the theory that the change in the prices of farm products find any adequate explanation in the increasing value of gold breaks down hopelessly.

During the years since 1891 there has occurred from time to time a marked fall in the prices of farm products. Are we to believe that simultaneously in each instance there took place an increase in the value of gold? The farm price per bushel of the corn crop of 1895, for example, was thirty per cent less than the average annual price for the ten years preceding.³ Is

¹ Senate Report on Wholesale Prices and Wages, part i, p. 11.

² Senate Report on Wholesale Prices and Wages, part i, p. 11.

³ United States Department of Agriculture, Crop Report, December, 1895, p. 6.

the appreciation of gold, or a crop twenty-five per cent greater than the annual average for the preceding decade, the more plausible explanation? Was it the appreciation of gold that made the price of potatoes so low in 1895, or was it a crop which exceeded by nearly 90,000,000 bushels that of any year, with the single exception of 1891, during three decades?¹ The average farm price of wheat for the three years ending with 1894 was about thirty per cent less than for the three years ending with 1891.² Is the gold standard or an increase of 236,000,000 bushels in the annual average of the world's supply the more reasonable explanation?³ Obviously, the fall of prices disclosed by such facts cannot be satisfactorily explained by an increase in the value of gold.

These downward movements in the prices of farm products were severe shocks to agricultural prosperity because they were sudden and unexpected. Compared with the gradual fall of prices that has occurred since 1873, they were relatively far more disastrous to farm interests. A rainfall of four inches distributed throughout twenty-four hours may do little or no damage; but the same precipitation within an hour carries in its wake disaster. What is to be said, then, of the assertion that, owing to a steady fall of prices, there has been no agricultural prosperity since 1873? The most obvious reply is that the statement, in this unqualified form, does not agree with the facts. During the years 1879-84 there was unusual agricultural prosperity, as a comparison of agricultural with general prices will clearly show.⁴ A similar comparison shows that 1888-92 were years when farmers were enjoying fair times. This does not mean, of course, that there was an absence of grumbling, or that no one complained of hard times during either of these periods. Judged by this test, indeed, there has never been a time in our country's history when agricultural distress was not the rule and prosperity the exception.

¹ Report of Cincinnati Chamber of Commerce, 1895, p. 172.

² United States Department of Agriculture, *loc. cit.*, p. 6.

³ Report of Cincinnati Chamber of Commerce, 1894, p. 57.

⁴ Senate Report on Wholesale Prices and Wages, part i, pp. 11, 100.

It is most certainly a sudden rather than a steady fall of prices that entails disaster upon the farmer. As Professor J. B. Clark puts it:

How does a slow and steady appreciation of any metallic currency affect the relations of business classes? Does it rob borrowers and enrich lenders? Does it favor the consumers by giving low prices and hurt producers in the same degree? Does it tax enterprise and paralyze the nerves of business? The answer is an emphatic No. Steadiness in the rate of appreciation of money is the salvation of business. . . . It is changes in the rate of inflation or of contraction that produce marked and damaging effects at the critical points of business life.¹

Whether or not this view be accepted as sound, it will be well to bear in mind that fully seventy-five per cent of the mortgage debt in force January 1, 1890, was incurred within five years, and but 8.02 per cent before 1880.² Consequently, at any given time the increased burden from outstanding indebtedness because of the gold standard cannot be very considerable. These facts also render untenable the position of those who hold the gold standard accountable in part for the frequency and severity of panics and commercial depressions.

If the appreciation of gold is responsible for the present low ebb of agricultural prosperity, we should naturally expect the farmers of Canada, separated from those of the United States only by an imaginary line, to share in that opinion. That they feel quite keenly the stress of the present era of low prices does not admit of doubt; yet it is perfectly clear that they do not find the cause of their difficulties in the gold standard. A platform adopted at London, Ontario, September 22, 1891, by the Patrons of Industry of that province, contains declarations upon the public lands, civil service reform, economy in the administration of the government, railways, *etc.*, but has not a word to say about the currency. The editor of the *Farmer's Advocate and Home Magazine* of London, Ontario,

¹ POLITICAL SCIENCE QUARTERLY, June, 1896, p. 251.

² Eleventh Census, volume on Real-Estate Mortgages, p. 313.

wrote me May 2, 1896: "There has been no demand here for more currency, and beyond an article or so in the *Advocate* and some correspondence and editorial discussion in the *Globe* newspaper of Toronto, very little is said about bimetallism; it is not a live subject here at all." John W. Coppinger, United States Consul at Toronto, wrote on April 2, 1896: "There is no agitation here concerning the finances; people seem to be satisfied with their banking and currency system." Professor Goldwin Smith, in a personal letter of May 20, 1896, said: "No man of sense can imagine anything but mischief could be done by a derangement of the currency." Certainly the contrast between the farmers of the United States and those of Canada in their views upon the subject of currency could hardly be more striking. And the contrast is emphasized when we consider that "the difficulties surrounding agriculture are precisely the same in Canada as they are in the United States"¹; and that the *per capita* circulation there is less than half what it is here.²

Having considered the most serious criticism urged against the gold standard, let us inquire how a law providing for the free and unlimited coinage of silver at the ratio of 16 to 1 would affect the interests of the farmer. That the immediate effect would be a precipitate passage to a silver standard hardly admits of a doubt. It is not a matter for surprise that, with nothing to check the force of the fall, the proposal to drop industrial interests abruptly to a silver standard should destroy the spirit of confidence, and cause the business world to look forward with dismay and terror to the readjustment of values which would follow. That the transition to this cheaper monetary standard would be accompanied by rising prices *in terms of silver* is a proposition from which no one is likely to dissent. Let us examine the effect of this movement by comparing the cases of two farmers, A and B. We will suppose each to have laid by a surplus of \$1500 in cash five years ago, and that A

¹ Personal letter, April 13, 1896, from J. W. Dryden, Canadian Minister of Agriculture.

² Circular No. 123, revised edition, United States Treasury Department, July 1, 1896, pp. 26, 27.

invested that amount in farm land, while B loaned a like sum to an enterprising neighbor. Any proposal that would involve depriving A of twenty-five per cent or more of his real estate would be promptly denounced as dishonorable. It is difficult to see how a proposition which involves depriving B of a portion of his claim upon dollars can stand ethically upon any higher level. The force of the comparison is strengthened if the farmer who invested his money in realty selected farm land or city property that has since increased in value. On what ground, therefore, does the plea of social necessity select as its victim the man who has a claim upon dollars in preference to the one who has a claim upon realty? Moreover, seventy-two per cent of farm-owning families own subject to no mortgage incumbrance,¹ and of the remainder by far the greater number are able to pay their debts. Judged by immediate results, then, what is to be said of a measure that would disturb debit and credit relationships throughout industrial society for the benefit of the few?

But perhaps the free coinage of silver would usher in an era of prosperity such as would justify the immediate losses which it would inflict upon individuals and society. On the contrary, this is very improbable. The rise in prices would stop after the transition to the new standard was an accomplished fact. It is probable, therefore, that, after industry had experienced a cycle of abnormal activity, the debtor class would be larger and more heavily involved than at present; and, with few exceptions, the arguments now advanced in behalf of the free coinage of silver would apply with equal force in support of an irredeemable paper currency.

Supposing this danger to be escaped, what peculiar virtues does silver possess which entitle it to preference over gold as a monetary standard? The advocates of free coinage assert that since 1873 silver has maintained a more constant purchasing power over farm products than gold; and in proof of this proposition usually cite the downward movement of the price of silver in company with the prices of cotton and wheat.

¹ Abstract of Eleventh Census, p. 225.

Unfortunately for this theory, examples of a contradictory character are quite as numerous. During the four years ending with 1895, fifty per cent more silver was required to buy a hundred bushels of corn than during the four years ending with 1876; while seventy-five per cent more was needed to buy one hundred pounds of hogs. During the four years ending with 1895, seventy-five per cent more silver was necessary to buy one hundred pounds of cattle than during the four years ending with 1880; and fifty per cent more to buy a hundred pounds of tobacco or a ton of timothy hay.¹ Evidently the statement that silver possesses constant purchasing power with reference to farm products is an unwarranted generalization. It is true that the price of silver and the general average of prices for the principal products of the farm have both declined since 1873; but it is also true that a comparison of the four years ending in 1876 with the four years ending in 1895 shows the former to have declined about twice as much as the latter. The power to command the same quantity of farm commodities from time to time is therefore no more an attribute of silver than it is of gold. Furthermore, were it true that silver has been superior to gold in this respect during the past quarter of a century, what assurance is there that it would continue to be so during the next twenty-five years?

Lastly, would silver be a steadily depreciating standard? This is a difficult question to answer definitely. Admitting a depreciating standard of value to be desirable from the point of view of the farmer, it is consequently by no means certain that its advantages can be realized by the free coinage of silver. Moreover, in view of the analysis offered above of the appreciation of gold, what the farmer might hope to gain from a currency based upon a depreciating money metal is at best of doubtful importance.

This, then, is our principal conclusion: The independent, free and unlimited coinage of silver by the United States

¹ Cincinnati prices were used in making all these estimates. See Cincinnati Chamber of Commerce Report, 1895, pp. 114, 134, 150, 151, and United States Treasury Department Circular No. 123, July 1, 1896, p. 18.

at the ratio of sixteen to one will not promote the prosperity of the American farmer. Passing to a silver standard will only temporarily lighten the burden of mortgage debt resting upon farms. Those farmers whose debts are payable in gold would not even experience temporary relief. During the transition to the new standard, moreover, delinquent debtors would be more or less seriously embarrassed by the disposition of their creditors to enforce immediate payment. The rise of prices, by increasing the cost of living, would undoubtedly curtail for many years the consuming power of the wage-receiving class, and thereby lessen somewhat the demand for the products of the farm. That higher prices for his products, in terms of a cheaper monetary standard, can enable the farmer in the long run to command more of the material comforts of life than he would enjoy under the present standard is a proposition difficult to understand. Violent fluctuations in prices under a silver standard, whether due to over-production, commercial depressions or any other cause, would probably be no less frequent, and the losses thereby inflicted upon agricultural industry no less disastrous than at present. Steadiness of purchasing power is one of the marks of a sound monetary system, and there is no reason to believe that a currency based upon silver is superior for this purpose to one based upon gold.

2. *The general property tax and the farmer.* — There is no doubt that the system of taxation upon which the state governments and minor civil divisions at present depend for revenue is a source of injustice to the farmer. A century ago, when values were for the most part represented in real estate, when property was to only a slight degree differentiated, the general property tax was fairly equitable. At that time there were comparatively few banks; there was not a single railroad company, and of course none of that mass of easily concealed property based on railroads, such as stocks and bonds; there was not a telegraph or telephone company, nor were there any traces of that property which consists of their evidences of indebtedness; there was not one gas company; there was not one street-car line; and the manufacturing corporations of our day had scarcely begun to exist.¹

¹ Prof. R. T. Ely, *Taxation in American States and Cities*, pp. 139, 140.

The problem in taxation is to devise some way to make the owners of these new kinds of property pay their due share of the taxes.

That incorporeal values, such as bonds and notes, escape the burden of taxation is a notorious fact. As Professor Seligman points out :

From 1860 to 1880 the assessed valuation of real estate increased from 6,933 millions of dollars to 13,036 millions, while that of personal property decreased from 5,111 to 3,866 millions. In 1890 the assessed valuation of real estate had grown to 18,956, while that of personal property was 6,516 millions, — less than the figures of thirty years before.¹

Between 1871 and 1893 the assessed value of real estate in New York increased 126 per cent, while that of personalty decreased nine per cent. That is, according to the returns of assessors, the owners of personal property in New York were \$41,194,000 worse off in 1893 than in 1871.² In his report of January 20, 1891, the comptroller of New York state estimated that \$2,500,000,000 of personal property in that state escaped taxation.³ In 1893 ninety per cent of the taxes fell upon real estate, and but ten per cent upon personal property.⁴ In no state, however, are inequalities in the burden of taxation upon real and personal property more glaring than in California. From 1867 to 1892 the percentage of personal property there declined from 47.17 per cent to 14.66 per cent of the total assessed for purposes of taxation.⁵ Owing to the foregoing facts, the present system of taxation has been aptly characterized as follows :

Personal property nowhere bears its just proportion of the burdens ; and it is precisely in those localities where its extent and importance are the greatest that its assessment is the least. The taxation of personal property is in inverse ratio to its quantity ; the more it increases the less it pays.⁶

¹ Professor Seligman, *Essays in Taxation*, p. 27.

² *Ibid.*, p. 28.

³ Report of Senator Pepper, *Agricultural Depression*, February 15, 1894, p. 56.

⁴ Seligman, *op. cit.*, p. 28.

⁵ Senator Pepper, *op. cit.*, p. 55.

⁶ Seligman, *op. cit.*, p. 27.

Probably Chicago affords the most striking illustration of the hopeless inefficiency of the present system of taxation for securing from personal property contributions for public expenditure. In 1894, in Cook County, personal property paid but fourteen per cent of the taxes.¹ The twenty years intervening between 1873 and 1894 covered a period of extraordinary prosperity for Chicago. Its population increased fully 1,200,000 and its area 150 square miles, yet the assessed value of personal property advanced but \$16,000,000.² Cincinnati, also, well illustrates the shortcomings of the general property tax so far as personalty is concerned.³ In a special message of April 6, 1887 to the Ohio legislature upon the non-return of personal property for taxation, Governor Foraker used the following language :

Personal property is valued all the way from full value down to nothing ; in fact, the great majority of the personal property of the state is not returned, but entirely and fraudulently withheld from taxation.⁴

It is almost incredible that farmers have not been more emphatic in their protests against a system in the overthrow of which they are personally interested. The investments of farm communities are only to a small extent in the new forms of wealth, such as stocks and bonds, which so readily escape their contributions to the state. Furthermore, no small part of the personal property of the country is plainly visible to the tax collector's eyes.

It is easy for the assessor in a country township to see the farmer's land and his horses and his cattle. In the towns and cities, however, personal property assumes other forms. No assessor knows or can know whether one man has money loaned on mortgage security in Kansas, or whether another man owns shares of stock in a New England railway company.⁵

¹ Seligman, *op. cit.*, p. 27.

² Chicago Board of Trade Report, 1894, p. 171 ; W. T. Stead, *If Christ Came to Chicago*, p. 211.

³ Cincinnati Chamber of Commerce Report, 1894, p. 195.

⁴ Ely, *Taxation in American States and Cities*, p. 155.

⁵ Report of Ohio Tax Commission, 1893, p. 22.

Professor Seligman has expressed the same thought in the following language :

The weight of taxation really rests on the farmer, because in the rural districts the assessors add the personalty, which is generally visible and tangible, to the realty, and impose the tax on both. . . . What is practically a real-property tax in the remainder of the state becomes a general property tax in the rural districts. The farmer bears not only his share, but also that of the other classes of society.¹

According to the report of the Ohio Tax Commission for 1893, Preble County, an agricultural community having one village of about 3,000 inhabitants, one national bank with a capital of \$50,000 and one savings and loan association, returned for taxation in 1890 nearly one-third as much personalty as Hamilton County, containing the city of Cincinnati, with a population of 296,000, banking capital of over \$13,000,000 and bank deposits of \$28,000,000, besides a large number of building and loan associations with deposits of \$35,000,000.² The county of Muskingum, with a population about one-seventh that of Hamilton County, returns for taxation almost half as much in the shape of intangibles.³ Lucas County, containing the flourishing city of Toledo and numbering twice the population of Muskingum, returns less than half as much personalty for taxation.⁴ In the counties of Ohio containing the five principal cities, the percentage of personalty to the entire assessed valuation is but half what it is in the remaining counties of the state.⁵ The report of the Ohio Tax Commission thus summarizes the situation :

It must be perfectly apparent to any one . . . that, while in the country counties, where the assessor is personally acquainted with the circumstances of the taxpayer and knows his wealth, taxation of intangible property is perhaps feasible, it is in the city counties an utter failure. . . . It is the country counties which pay the taxes upon personal property.⁶

¹ Essays in Taxation, p. 32.

² Ohio Tax Commission, 1893, p. 28.

³ *Ibid.*

⁴ *Ibid.*, p. 29.

⁵ *Ibid.*, p. 31.

⁶ *Ibid.*

But the escape of personal property from taxation is not the only feature of the present taxing system that works injustice to the farmer. Relatively to other property his holdings in realty have frequently been assessed too high. The railways of Ohio, for example, were appraised in 1892 for only a little over twice as much as the horses of the state,¹ or for from twenty-five to thirty per cent of their real value as estimated by capitalizing their annual net earnings.² Any one acquainted with the assessment of Ohio farms need not be told that this is a most unjust discrimination against the agricultural interests of the state. During the fourteen years following 1878, many of the Ohio roads spent enormous sums in the improvement of their road-beds and in bettering their rolling stock, and there was a substantial increase in their annual net earnings during these years ; yet they were appraised for less at the end than at the beginning of the period.³

There is evidence, also, that the realty of the cities is not valued as highly for purposes of taxation as is that of the country. Of such inequality Chicago probably affords the most glaring example. During the twenty years from 1873 to 1893, population quadrupled and over \$400,000,000 was expended in the construction of new buildings, while at the end of this period the assessed valuation of Chicago real estate was \$116,000,000 less than at the beginning. That during these years the limits of Chicago were greatly extended, and that the increase of wealth in Cook County was mainly within the confines of that city, are facts familiar to every one ; yet, of the assessed valuation of Cook County realty in 1893 a larger percentage was in that part of the county outside of Chicago than twenty years before.⁴ To be more specific, in Chicago seventy of the choicest business blocks, together with the ground they occupy, are appraised by the assessors at less than one-tenth of their value.⁵

During the past fifteen years, moreover, in a number of states the farmers have witnessed twenty-five to fifty per cent

¹ Ohio Tax Commission, 1893, p. 51.

² *Ibid.*, p. 56.

³ *Ibid.*, p. 52.

⁴ Report of Illinois Bureau of Labor, 1894, p. 69.

⁵ *Ibid.*, p. 79.

of the value of their farms disappear. Their incomes have correspondingly diminished ; but taxes have continued unabated, in many instances being equivalent to twenty-five per cent of the net income.¹ The increase in the value of city real estate, in the periods intervening between valuations, has still further aggravated the inequality. Speaking of this subject, Governor Foraker, in his annual message of January 4, 1887, said :

The last decennial appraisalment of real estate was had at a period of great prosperity ; it was a time of general high values ; since then there has been a heavy decline ; farm property is from twenty-five to fifty per cent cheaper to-day than it was then. The consequence is that farming lands of the state, where they have not been affected by the growth of cities or other development, are now taxed on the average more nearly at their full value than any other class of property. In fact the farm lands of some of the counties are taxed at even more than they could be sold for. But while this is true of the farm lands, the reverse is true of the real estate of many of the cities of the state where there has been growth and development, as in some portions of Cincinnati and in Cleveland, Toledo, Columbus and many other cities that might be named. The valuations placed upon the real estate of these cities in 1880 are in the aggregate fifty per cent of their present true value in money, and in some cases they will not exceed twenty-five per cent.²

The present system of taxation, furthermore, not only puts a premium upon perjury and renders honesty on the part of the taxpayer next to impossible, but it everywhere throws the burden of supporting the state upon those least able to bear it :

The class of property that escapes taxation most is the class of property that pays the largest dividends. . . . Those who have to battle hardest with life for subsistence, are compelled to pay the most onerous taxes on the real value of their property.³

The trusts, the corporations, the millionaires of Chicago pay taxes on less than one-tenth of the value of their enormous accumulations

¹ The fact that the annual net income of farm lands is frequently but two to four per cent renders this statement all the more significant.

² Ely, *Taxation in American States and Cities*, p. 151.

³ Seligman, *op. cit.*, p. 33.

of wealth, while the small property-owners are being taxed on from one-half to one-third of the value of their humble possessions.¹

An eminent financier has said:

Land is less able to bear heavy taxes than almost any other kind of property.²

And again:

I question very much that there are any farms outside of the prairies, and away from the large towns, which, if they were charged with the labor bestowed upon them, at the rate of \$1.00 per day for men and fifty cents a day for women, and with other necessary outlays (their original cost not included) and credited with the market value of their productions, and their estimated present value, would exhibit a balance on the right side of the account.³

Certain it is that the great fortunes of modern times have not been won by the owners of the soil used to supply the world with food.

The banker, merchant, manufacturer and capitalist have become wealthier than the landowner. . . . During the past thirty years, a still different source of wealth has sprung into existence. It has risen to first importance, and has created moneyed kings greater, stronger, richer even than the banker himself. A new financial era has been entered upon. Land, the old source of centralized wealth, . . . no longer maintains its preëminent importance. In its place has come the natural monopoly, and a new order of men are in control. Crassus and Cræsus were poor men compared with the modern Vanderbilts. A consolidated railroad has become greater than a dukedom.⁴

How to make the new forms of property that have come into existence in modern times contribute to public expenditure; how to make those industries that become more and more profitable with increase of population and social development, such as natural monopolies, bear the burden of taxation in proportion to their income—in short, how to secure equality of sacrifice in the payment of taxes, is the problem of taxation.

¹ Stead, *If Christ Came to Chicago*, p. 228.

² Hugh McCulloch, *Men and Measures of Half a Century*, p. 525.

³ *Ibid.*, p. 523.

⁴ Cook, *Corporation Problem*, p. 189.

It is strange, indeed, that the farmers have not directed the influence of their organizations more zealously toward the reconstruction of a tax system that is admittedly unjust and indefensible. The fact that a tax assessed upon the value of farm lands cannot be reflected in the price of farm products and shifted upon the consumer, renders this remark all the more pertinent.

It is not true that the farmer can recoup himself for the taxes which he pays by adding the tax to the price of his potatoes, or wheat or other products. The price which he gets for the great bulk of the things grown upon his farm is fixed by causes which often have their roots in different lands and among different nations.¹

In no other direction are efforts to promote the interest of the farmer, by means of legislative action, more likely to be fruitful of results than by a reform of the existing system of state taxation. It has been estimated that were the burden of taxation in Massachusetts equitably adjusted between real and personal property, the rate of taxation would be reduced from \$15.00 to \$8.44 on the \$1000.² But for the extent to which the interest of the farmer has been absorbed in matters of national politics, to the exclusion of state and local affairs, it is probable that more of his energy and zeal would have been directed to the reform of the general property tax.

Space will not permit a consideration of various theories of taxation. For the purposes of this essay it is sufficient to have called attention to the existence of a problem, in the scientific and equitable solution of which the farmer probably has more to gain than any other class.

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¹ Ohio Tax Commission, 1893, p. 43.

² Report of Senator Peffer upon the Agricultural Depression, February 15, 1894, p. 56.

AN ANALYSIS OF AGRICULTURAL DISCONTENT IN THE UNITED STATES. III.

V. FOUR REMEDIES FOR THE AGRICULTURAL DEPRESSION CONSIDERED (*continued*).

3. *An export bounty upon agricultural staples.* — Whatever acquaintance the public may have with this proposition is due very largely to the energy, enthusiasm and time devoted to its advocacy by one man, Mr. David Lubin of Sacramento, California. According to Mr. Lubin, our protective tariff system is mainly responsible for the economic difficulties of the American farmer. The producer of agricultural staples, he contends, receives free-trade prices for what he sells, but for what he buys is compelled to pay prices enhanced by a protective tariff. For example, Mr. Lubin has said : "The producers of agricultural staples under the present system must foot the entire cost of protection, which, at a conservative estimate, must foot up to \$1,000,000,000 a year." The object, then, of a system of bounties upon exports of agricultural staples, Mr. Lubin tells us, is to restore to the farmer that of which protection unjustly deprives him.

The determination of the truth or falsity of Mr. Lubin's statement as to the effect of the tariff on the farmer does not concern our present purpose. Admitting it to be correct, however, what is to be said of his remedy? Were it to accomplish all that Mr. Lubin claims, it would simply restore to the farmer \$1,000,000,000 of which he is annually deprived by protection. When this has been done, who is the gainer by the transaction? To ask the question is to answer it. Mr. Lubin's argument resolves itself into this : Society is to bear the expense of the administrative machinery necessary to a process by which one class collects money from another only in turn to pay it back. It is clear, therefore, that whether an export bounty upon

agricultural staples be wise or foolish, the argument used by Mr. Lubin in its support may be dismissed without further comment.

It is worth while, however, to consider the proposition itself, not only from the farmer's point of view, but also in its political and financial aspects, and in reference to its bearing upon economic and social progress and upon the wisest adjustment of the wealth-producing energy of the nation.

The manner in which an export bounty is expected to benefit the farmer is as follows: The bounty is to be paid directly to the exporters of farm products; competition among the exporters will raise the price of the quantity exported to the extent of the bounty; the quantity bought to supply the home market will command the same price; consequently, the value of the entire product will be artificially enhanced, and the profits of the farmer correspondingly increased.

It is a serious question, however, whether this can be accomplished without so stimulating production as to defeat the avowed object. The experience of European governments with bounties upon the exportation of beet sugar clearly indicates the probability of such a result. The insidious origin of this policy in Germany is an interesting episode in economic history.¹ Other nations of Europe, such as France, partly to keep their own sugar producers from being at a competitive disadvantage and partly through national jealousy, inaugurated a similar policy, until most of the nations of the Continent have vied with each other in favoring the sugar industry.² The result has been an enormous increase in the beet-sugar product, from 2,223,000 tons in 1885-86 to 4,975,000 in 1894-95, accompanied by such a reduction in price that the industry is seriously depressed. Producers complain that the prices received do not cover the cost of production,³ and it has even been proposed to establish a sugar bank to relieve distressed refiners and beet-root growers.⁴ In addition to the loss sustained by the pro-

¹ *Quarterly Journal of Economics*, vol. vi, 1891-92, pp. 96, 97.

² *The Nation*, vol. xlii, 1886, p. 421; vol. xlv, 1887, p. 165.

³ Wells, *Recent Economic Changes*, p. 302.

⁴ *Public Opinion*, September 26, 1895, p. 396.

ducer, the bounty system upon sugar costs the taxpayers of Europe about \$25,000,000 per annum.¹ Consequently, as a reward for this expenditure of the public treasure, the sugar producers of Europe have been led to do business at a loss, while the other nations of the world have had the benefit of cheap sugar. In addition to the economic evils which the policy entails, the fact that one nation cannot abandon it independently of the others, without leaving its own producers at a competitive disadvantage, is a matter that should not be overlooked. The overthrow of the system is thus subject to all the delay and uncertainties of international agreement.² This experience of European nations certainly indicates that a policy of export bounties upon agricultural staples in the United States would stimulate production in our own country; but it also indicates that other food-exporting nations would be led to adopt a similar policy and that in consequence no advantage would accrue to the American farmer.

As regards cotton, it is almost certain that an export bounty would not permanently enhance the price. The proof of this proposition lies in the fact that the United States is the most important single factor in producing the world's cotton supply. Her annual product is fifty per cent of that of the entire world.³ Of England's cotton importations, 1890-93 inclusive, seventy-six per cent came from the United States;⁴ and during the same period sixty-nine per cent of all importations into Europe had the same origin.⁵ These facts not only reflect the extent to which the world is dependent upon the United States for its cotton supply, but also indicate that the low prices of recent years are to be attributed to the enormous scale upon which she has been engaged in the production of this commodity. The cotton famine during the Civil War, when production in the United States was largely suspended, conclusively shows that the size of the American crop is the principal factor in

¹ Consular Report, April, 1895, vol. xlvii, No. 175, pp. 610, 611.

² *Saturday Review*, vol. lxiv, 1887, pp. 725, 726, 847, 848.

³ Senate Report 986, 3d Session, 53d Congress, Committee on Agriculture and Forestry on the "Condition of Cotton Growers in the United States," etc., part i, p. 506.

⁴ *Ibid.*, part ii, p. 156.

⁵ *Ibid.*, part ii, p. 163.

determining the price. In 1864 cotton sold for \$1.00 a pound; but after the war planting was resumed, and the European supply increased to such an extent that stocks began to accumulate in the ports, and prices declined with the annually increasing crop in this country.¹

The plea cannot be made that an export bounty is necessary to give us a commercial advantage over competitors in the growth of cotton, for we are already easily supreme in this regard. Moreover, the enhancement of the price of cotton by means of an export bounty will not increase the world's demand to the extent of a single pound, save as it cheapens the price. Its only influence will be to augment the production of a commodity of which there is already too great an abundance, to depress its price still further and to defeat the very object for which the bounty is proposed. It is even probable that, with the world's markets overstocked and the home market dull, because of the enormous crops in the United States, those engaged in the export trade would underbid each other in a struggle for its control, and the bounty would thus be handed over as a gift to foreign buyers of cotton. From the point of view of European importers, manufacturers and consumers of cotton, such a policy will doubtless be regarded with unconcealed favor; but from the standpoint of an American, the policy of expending the public treasure in the interest of a class of producers, only to leave them in no better plight than they were and to furnish the other nations of the world with a raw material at less than its normal price, can hardly be regarded with favor.

What has been said concerning cotton also applies very largely to corn. To even a greater extent than in the case of cotton, the volume of the American crop fixes the price. As to competition with other countries, there is none worthy of serious consideration. Less than four per cent of the yearly crop of corn is exported,² while something like eighty per cent is yearly consumed in the very county where it is grown.³

¹ Bulletin No. 9, 1895, Miscellaneous Series, Statistical Division, Department of Agriculture, "Production and Price of Cotton for One Hundred Years," pp. 14, 15.

² Statistical Abstract, 1894, p. 266.

³ George William Hill, *The Chautauquan*, vol. xvi, 1892-93, pp. 293-298.

The price is, consequently, dependent not only upon the American supply, but also chiefly upon the American demand. Furthermore, the export demand for corn is not increasing. Notwithstanding special efforts made to introduce corn in various forms as a food product among European peoples,¹ the average annual exports for the ten years preceding 1895 were less by 7,400,000 bushels than for the ten years preceding 1885.² During these two decades the greatest export movements have occurred as frequently in years of moderate as in years of exceptionally large crops.³ Under such circumstances, in the competition among exporters to supply the foreign demand, an export bounty upon corn would be quite as likely to go to the foreign consumer as to the American producer. Such a result is indicated by the experience of Nebraska farmers in 1884, 1886 and 1890. In those years railway rates upon corn from points in Nebraska were reduced in deference to the demands of farmers, with the effect, however, not of increasing the price to the producer, but of lowering it to the consumer.⁴ Even if exporters were induced by the bounty to offer a higher price for the supply of the export trade, that trade seems relatively too insignificant to affect materially the *farm* price of corn in the United States. Assuming that the price might be momentarily enhanced by the bounty, the mere fact that the area devoted to corn cultivation is capable of indefinite extension leaves little reason to suppose that such an advance would be permanent.

The cases of hay and oats are in nearly all particulars analogous to that of corn. An analysis of the probable effect of an export bounty upon wheat and meats, also, would lead to similar conclusions.

From the political point of view, a system of bounties on the exportation of agricultural staples is clearly impracticable in the United States. Even if such a scheme were once in operation, there would be no hope of its permanence. It would be

¹ George William Hill, *The Chautauquan*, vol. xvi, 1892-93, p. 294.

² Statistical Abstract, 1894, p. 266.

³ *Ibid.*

⁴ Report of Nebraska Railway Commissioners, 1886, pp. 83, 84, 96. *Railway Age*, vol. xv, pp. 88, 103, 193, 710.

denounced as embodying class legislation. Many farmers, disappointed at the small benefits accruing to them from the measure, would give it but indifferent support. If it raised prices, the hostility of the non-agricultural portion of the population would be aroused against it. The short life of the sugar-bounty clause of the McKinley tariff act of 1890 illustrates how such measures fare under a popular government. Under a despotism a policy of bounties on exports might be feasible; but with a government that so quickly reflects a change in public sentiment as our own, there would be no assurance that such a measure would endure for any considerable length of time.

Nor does the policy we are considering present a more favorable aspect from the financial point of view. Under existing circumstances, when the national revenue is inadequate to meet the needs of the government, the inauguration of a bounty policy would seriously embarrass the treasury and necessitate a reconstruction of our whole fiscal system. To make good the increased deficit it would be necessary to enlarge the excise, to place imposts upon sugar, tea and coffee, and probably to increase the protective features of the tariff; though the last device, according to Mr. Lubin, would take from one pocket of the farmer what the export bounty had lodged in the other. To tighten thus the screws of the machinery of taxation in the interest of a class would run counter to the prejudices of the people and would thereby violate a fundamental principle of finance.¹ Nor is this all. The volume of agricultural exports varies from year to year with the foreign demand and other conditions beyond the power of government officials to control or forecast. The exportation of wheat in the fiscal year 1892, for example, was more than three times that of the year preceding.² There was also an enormous and unforeseen increase in the exports of farm staples during the calendar year 1896, as compared with those of 1895.³ The impossi-

¹ J. R. McCulloch, *Taxation and Funding*, p. 18.

² Statistical Abstract of the United States, 1895, p. 169.

³ *Public Opinion*, December 31, 1896, p. 855.

bility of adjusting appropriations to the actual requirements of an export bounty upon agricultural staples is therefore apparent. Such a bounty is thus open to the further serious objection that it would greatly increase the difficulty of maintaining a proper balance between the annual income and the expenditure of the nation.

The principle which lies at the basis of a bounty upon agricultural exports is, furthermore, antagonistic to economic and social progress. It looks with disfavor upon the introduction of improvements, whereby production is cheapened and human wants are more easily satisfied, and places the interest of a class above that of society in general. Carried to its logical conclusion, the principle would justify some kind of state aid to those in every industry, who, through being undersold, are subjected to financial loss. Within the past fifty years the machinery employed in the iron, cotton and woolen industries has several times been rendered worthless, save for use as old iron, by the introduction of cheapening appliances in production. Nor has the process stopped. The owners of machinery that is, so to speak, invented out of existence suffer loss; but society, being enabled to satisfy its wants more easily, gains. That the advantage to the mass warrants disregard of the detriment to the few, is a familiar idea in respect to other industries than agriculture. Society welcomes cheaper transportation, cheaper clothing and lower prices for all of the products of city life; and when such changes occur the public looks on with unconcern and even with some degree of pleasure — especially if those upon whom such economic progress entails financial loss are the stockholders in some corporation. Certainly, then, the process which cheapens food — a prime necessity of life — is not to be judged by a different standard.

Finally, we have to consider the policy of bounties in its bearing on the fact that, considering their efficiency,¹ too large a percentage of the people of the United States are engaged in

¹ "An ordinary farm hand in the United States raises as much grain as three in England, four in France, five in Germany or six in Austria." — See Mulhall, *North American Review*, vol. clx, 1895, p. 643.

the production of food. Bounties upon agricultural exports would simply be an inducement to men to engage in an industry that is already overdone. Nearly forty per cent of those ten years of age and over employed in various occupations in the United States are engaged in farming pursuits,¹ while in the highest development of agriculture twenty to twenty-five per cent at most could furnish food for all.²

At the present time the rapid increase of city populations, the development of manufacturing industries and the larger expenditure of energy in the production of such articles as eggs, butter, small fruits, *etc.*, are tending to reduce the plethora of those engaged in the production of the staple products of the farm, and to bring about a more healthy balance of industries. It is difficult to realize the rapidity with which the people of the United States are passing industrially from agriculture to manufacturing. Between 1850 and 1890 the capital invested in manufactures increased from \$533,000,000 to \$6,180,000,000, and the wages annually paid from \$237,000,000 to \$2,000,000,000. The manufactures of the United States "exceed those of the mother country in the proportion of seven to four, and are increasing at a rate which, if maintained for a quarter of a century, will make the United States as important a source of supply for manufactured articles as it now is of agricultural products."³ The United States is going into the business of manufacturing for export at a rate which is causing grave apprehensions to English and other European manufacturers, and "will probably in the near future dominate all the markets of the world in the production of manufactured goods."⁴ American steel, dry goods, paper and carpets are successfully competing in the markets of the world, even in those of England herself. Only recently a press dispatch announced the shipment of a cargo of twenty locomotives on a single vessel to Russia.

All this is indicative of the direction in which the highest

¹ Abstract of Eleventh Census, p. 78.

² Report of Department of Agriculture, 1885, p. 392.

³ Gannett, *Building of a Nation*, p. 176.

⁴ T. A. Eddy and Carl Schurz, *Engineering Magazine*, vol. ix, 1895, p. 413.

economic interests of the nation lie. However much relief legislative remedies may afford the farmer, his prosperity is largely dependent upon such a spontaneous redistribution of the working energy of the people as will secure the wisest adjustment of economic force. A fiscal policy like the export bounty, which would counteract this tendency, would strike at a process from the further progress of which the farmer has much to gain, and would prevent the most effective application of the wealth-producing power of the nation.

To summarize : In considering the proposal to establish a system of bounties upon exports of agricultural staples, we have found that Mr. Lubin's argument in its behalf is without logical foundation ; that such a system probably would not permanently maintain the prices of agricultural staples at a higher level ; that under our form of popular government this policy could not be carried out with any steadfastness of purpose ; that it is contrary to the financial interests of the treasury ; that it is opposed to economic and social progress ; and that it is hostile to the most economic expenditure of the wealth-producing energy of the nation.

4. *The importance of thrift as a remedy for agricultural depression.*—Those whose knowledge of the subject is a product of imagination rather than of actual experience are prone to dwell upon the attractiveness of farm life. The pleasures of agriculture have long been a favorite topic with poets ; and even hard-headed business men are frequently convinced, by the familiar pictures of nature's coöperation with the farmer — of the growth of his crops and livestock in value while he is asleep — that the life of the farmer is one of comparative ease. In marked contrast with such an impression are the stern realities : nature frequently defeats the efforts of the farmer, and his life is spent in persistent physical toil. In this routine the women of his household coöperate. They begin with the early dawn a busy round of toil that scarcely ends with darkness. On many farms they not only cook, wash, bake and care for the house, but also supply the table with vegetables,

milk, butter, eggs and poultry, besides paying for the necessary groceries of the family and for their own clothing out of the products of the garden, dairy and hennery, which they care for with their own hands. Probably among no class of equal social standing do the women so generally work as hard or contribute as much to economic success.¹

The conditions of success upon the farm are probably as well supplied as anywhere among those religious sects known as Dunkards and Mennonites, and nowhere else are the evidences of agricultural prosperity more apparent. But among the mass of our country people, as President Jordan has observed, "a notion has been spreading . . . that the dwellers in towns do 'not have to work to make a living, or do not have to work hard'; and the farmer is coming to think that 'the day of hard labor has passed, or ought to pass.'"² The economic future of all who act on this principle is without hope.

It is not enough, however, for the farmer to work hard: he must also exercise good business judgment. The farmer, at the present time much more than formerly, sells what he produces and buys what he consumes. His business relationships have greatly enlarged, and it follows that a knowledge of business methods counts more in his favor. A man may be highly industrious and yet, owing to a deficiency in business tact, may fail in the struggle of life.

Success in farming depends, finally, upon supplementing hard work and sound judgment with frugal living. The farmer who would woo prosperity with any hope of winning her must live within his means. It is impossible to state in general

¹ This is, of course, due to the fact that on the farm there is a very great opportunity for women to lend a helping hand—an opportunity which the state has in no wise curtailed, and is not likely to curtail, by legislation. The above remarks are likewise applicable to the boys and girls who grow to manhood and womanhood in the country. From this statement follow two corollaries: (1) children of farmers are more likely to be trained to habits of industry than those of other classes; (2) the burden of rearing a family is less for the farmer than for those in many other pursuits. The latter fact, in connection with the economic importance of the wife in rural affairs, tends to cause earlier marriages and a larger birthrate among the rural than among the urban population.

² *The Forum*, vol. xii, 1891-92, p. 241.

terms a rule of justifiable expenditure : this is a matter each must determine for himself. Some who are struggling to pay for a farm find it necessary to limit their expenses to the simplest necessities of life. As Booker T. Washington has said : "Art and music for people who live in rented houses and have no bank account are not the most important subjects to which attention can be given. Such education creates wants without a corresponding ability to supply these increased wants."¹ Social philosophers will probably criticise the standard of living involved in this view. It is not necessary, however, for all farmers to be equally saving. Some have ample means for books, magazines, music, travel, the higher education of their children, modern and well-furnished houses and commodious barns. Some who could well afford these things are lacking in taste for them, while others have found the struggle of life so severe that they have never cultivated the habit of spending money sufficiently to find it a pleasure. In general, however, even those farmers who are fairly well-to-do find it necessary to refrain from anything approaching luxury or ostentation.

The suggestion that the solution for the farmer's economic difficulties depends upon limiting expenditure to income meets with various objections. It is argued, for example, that were the doctrine of saving herein enjoined to be generally carried out, industrial paralysis would follow because of the meagreness of consumption. In reply to this, it is to be observed that *thrift* and not *parsimony* is the quality commended. The former inculcates saving in the present, with reference to spending in the future ; some material comfort is sacrificed now, but only for the purpose of having it with greater certainty in time to come. The latter plans to avoid expenditure everywhere and always. Thrift is not content with securing "unto the end a meagre subsistence without improvement of conditions of life and surroundings";² parsimony is content with this. Thrift is, therefore, economically sound, while parsimony is not. Looked at in its true light, the

¹ *Religious Telescope*, Dayton, Ohio, August 19, 1896, p. 535.

² *Public Opinion*, August 27, 1896, p. 272.

doctrine of saving is complementary to that of spending. The latter is conditioned by the former and *vice versa*. But under the conditions of American life, society need give itself no concern lest the disposition to spend should fail to keep pace with the ability to do so. We may at least be assured that no man of sense, who is struggling to win economic independence on the farm, will spend in order to make times good. Prosperity based upon extravagance cannot be permanent.

It may be urged, again, that farmers should live as well as the members of any other social class; and that, if they are to adjust expenditures to incomes, they will not be able to share in the good things of life to the same degree as the members of some other classes in society. In this observation there is much force; and it may be remarked in passing that the writer yields to no one in his desire that farmers should have as many of the material comforts of life as the members of any other class. But the incontestable fact is that they cannot; nor is this peculiar to the occupation of the farmer. The standard of comfort enjoyed by those who live in towns and cities also varies widely. How far the present system of distribution falls short of giving each his due, it is impossible to say. It is probable, however, that any system that did not recognize differences in skill, executive talent, *etc.*, as a basis upon which to assign to some more and to others less, not only would be doomed to failure, but would so curtail production as to be highly injurious from a social point of view.¹ In other words, differences in the standard of comfort must be accepted as permanent facts in social arrangements.

Something more than criticism of the present order of things is necessary for the American farmer. He stands confronted with certain conditions which are, for the most part, unalterable. What, then, is he to do? There is but one reply. Face the conditions as they are, and pay for success the price which they require. At the present time, side by side with those who fail are others who, by their industry, sound judgment and frugality, are going on to a competency. These are the qualities

¹ Graham, *Socialism New and Old*, pp. 200-204.

through which tenants are rising to the ownership of the farms which they occupy, while owners are in turn descending to the station of tenants.¹ In the present industrial struggle the fittest are destined to survive, and the test of fitness for each individual lies in the adjustment of expenditure to income. This has ever been the method by which the American farmer has achieved success, even during times of the greatest agricultural prosperity, and especially during every period of low prices for the products of the farm. The conclusion is not hastily drawn, therefore, that those qualities which are best summed up in the word *thrift*, and which have served the farmers of the United States so well in the past, are their main reliance during the present period of agricultural depression.

VI. CONCLUSION.

For the purpose of continuing the consideration of the farmer's economic condition, it is intended, in this concluding part, to make a comparative study of prices, of wages of farm labor, of taxes, of rural wealth, of standards of living in agricultural communities and of the farmer's situation in contrast with his fellows.

1. *Prices.* — In addition to the light thrown upon this subject in the preceding pages, it is important to hold in mind the following considerations.

The farmer's interest does not lie exclusively in receiving remunerative prices for the commodities he may have to sell. His well-being is quite as much dependent upon the prices he in turn must pay for articles which either enter into the personal consumption of himself and family or are used in the process of production. A comparative study of the fluctuations in the prices of agricultural products and of commodities

¹ "If German, Polish, Bohemian and Swedish agriculturists were to invade the South in large numbers, they would dispossess the plantation owners by their industry and economy. They were born to work and to save. Already the process has begun in Texas, where large plantations are passing piecemeal into the hands of these people, and where in a few years the purchasers are entirely out of debt."—G. K. Holmes, *Annals of the American Academy of Political and Social Science*, vol. iv, 1893-94, p. 73.

in general between 1840 and 1891 reveals several important facts :

First, there have been three periods during which the average of agricultural prices has ruled lower than that of general prices : 1840-53, 1876-80, 1883-90. During the intervening periods agricultural prices ranged relatively high. From 1840 to 1853 the general average of agricultural prices ranged lower than at any other time in fifty-two years. In Ohio three-year-old ox teams, well matched and well broken, sold in 1842-46 for \$24 to \$30 ; in 1850, nice lambs weighing forty pounds sold for 56 cents per head, four-year-old steers for \$15, dressed pork at \$1.50 per cwt., cheese at 4 to 4½ cents per pound,¹ wheat at 25 to 30 cents and oats at 10 to 15 cents per bushel.²

Second, with the exception of 1860-65, a sympathetic relationship is found to exist between general and agricultural prices. As a rule, when the farmer received low prices for his produce, he paid low prices in turn for the articles he bought. This is well illustrated by the tendency of prices of farm machinery to move downward in company with the price of farm produce. Thus, it has been shown that the number of bushels of wheat, corn or oats required to pay for a list of ordinary farm implements, including a binder, a mower, a two-horse cultivator and a wagon, was less in 1889 than in 1873.³ The report of the Pennsylvania Bureau of Industrial Statistics for 1890 shows that in Chester County the average decline of wheat from 1880-81 to 1889-90 was 29.1 per cent, of corn 16.9 per cent, of oats 15.4 per cent. "During the same time the decline in the more costly farm machinery . . . was 33.9 per cent, in the lesser farm implements, such as shovels, rakes, hoes, scythes and pitchforks, 26 per cent, and the average rate of decline in ten selected articles of staple use, such as sugars, tea, coffee, salt, and standard cottons, calicoes, gingham and coarse boots, was 15.3 per cent."⁴

¹ Ohio Agricultural Report, 1890, p. 397.

² *Ibid.*, 1892, p. 528.

³ Prof. E. W. Bemis, *Journal of Political Economy*, vol. i, 1892-93, p. 208.

⁴ *Ibid.*, p. 209.

Third, the economic condition of any particular farmer depends largely upon the kinds of commodities he produces, and upon the proportions in which he puts them upon the market. For example, in the seven years ending with 1891, the average price of wheat was 24 per cent lower than in 1860, that of corn 25 per cent, that of hogs for live weight 22 per cent; while during the same period tobacco averaged 20 per cent higher than in 1860, mutton sheep 29 per cent and fat cattle 28 per cent.¹

Likewise, the farmer's condition depends very greatly upon what articles he buys, and in what ratio various commodities enter into the budget of his expenditure. Thus, during the seven years ending with 1891, cloths and clothing were 16 per cent lower than in 1860, metals and implements 24 per cent and house-furnishing goods 30 per cent. The conditions have therefore been favorable for those families with a liking for good clothes and for a house furnished in an attractive manner. On the other hand, the farmer who built a new house or barn in 1891 had to pay 24 per cent more for lumber and building materials than in 1860.²

No comparative study of farm prices, however, should fail to take account of the low price level for farm products which has prevailed since 1891.³ The effect of this upon the burden of mortgage indebtedness has already been pointed out.⁴ But the farmer has also suffered in consequence as a consumer. Owing to his inability to reduce adequately the cost of production, the simultaneous decline in prices of commodities which he buys has afforded him no compensation commensurate with the fall in the prices of his own products.

2. *Farm wages.* — In regard to the cost of labor, the farmer has been placed at a disadvantage by the recent fall in prices. Wages of hired labor have declined somewhat during recent years, but not to such an extent as adequately to offset the

¹ Aldrich Report, part i, pp. 99, 102-108.

² *Ibid.*

³ See Part IV of this essay, *POLITICAL SCIENCE QUARTERLY*, December, 1896, p. 606.

⁴ *Ibid.*, p. 607.

downward movement in the price of farm commodities. To-day wages of farm labor are almost double what they were fifty years ago.¹ This increase in the cost of labor, together with the uncertainty about securing any help at all during critical periods, such as harvest time, has doubtless hastened the introduction of labor-saving machines upon the farm as a matter of economy, convenience and necessity. Specialization in farming has also quickened the introduction of agricultural machinery. This is illustrated in the development of wheat production in the Northwest, which could not have taken place on such a grand scale without the aid of the binder.² But to whatever extent machines may have been substituted for manual labor, there has been since 1891 no reduction in their cost sufficient to lessen materially the farmer's outlay in production. Nor was the fall in prices of farm products beginning with 1892 due in any marked degree to the introduction of machinery prior to that date. Successive improvements in a machine and reductions in its price always precede its general use; and these features were not especially characteristic of the several years preceding 1892. There was, however, a noticeable increase in the export value of agricultural implements during these years,³ and of this increase harvesting machinery contributed an important item⁴—a fact probably related to the enlarged wheat production of Russia and Argentina in recent years.

¹ Wages of Farm Labor in the United States, Division of Statistics, Miscellaneous Reports, No. 4, 1892, pp. 13-15 and 54-69. Prof. James H. Hyslop makes the interesting suggestion that one cause of high wages for farm labor is the liberality with which outdoor relief is given to the poor. "The pauper feels secure in his expectation of care from the county, and will not work for reduced wages. He demands terms that are above what poor-law relief gives him; and he might naturally be expected to do this, since the law will give him a living without any work at all, and hence if he works he can well expect additional wages." Professor Hyslop suggests as a remedy "an alteration of the law so that every form of public relief shall be refused outside the almshouse, and given there only in return for work done."—*The Independent*, October 15, 1896.

² From another point of view inventions have promoted specialization. Thus, the tobacco planter rendered possible the planting of a larger acreage, and led communities accustomed to the industry to expend more productive energy in the growth of tobacco.

³ Statistical Abstract of United States, 1895, p. 168.

⁴ *Ibid.*

3. *Farm taxes.* — The relation of the farmer to taxation has already been considered.¹ It is merely desired to remark here that taxes are a fixed charge which have tended to increase, while the prices of farm produce have been on the decline.

4. *Rural wealth.* — During the forty years ending with 1890, rural wealth increased fourfold. Even during the decade 1880-90, notwithstanding the marked depreciation of farm lands in certain states, there was for the country at large a substantial advance in the sum total of rural wealth. The source of this increase, however, has not been confined to the ordinary profits of the farmer's business. Part of it is to be credited to soil exploitation, and part to the "unearned increment" incidental to the growth of land values. An increase within a generation of more than \$25 per acre in the value of farm lands in many states roughly measures the influence of the latter factor; that of the former is indicated by the cost of purchased fertility. It has been demonstrated that, though "the wheat crops of Ohio have been slightly increased by the use of commercial fertilizers, . . . the average cost of this increase has equaled its market value."² These conditions have unquestionably attracted energy from other pursuits into the business of food production, with the effect of depressing agricultural profits proper below their natural level.

5. *Standard of living.* — The present condition of the American farmer in respect to his standard of living is vastly superior

¹ See Part V, Section 2, of this essay, *POLITICAL SCIENCE QUARTERLY*, December, 1896, pp. 632-639. One item which unduly swells the sum total required for taxes and of which farmers complain is the salary account of county officials. The complaint is that the pay of this body of men has in many cases never been reduced from the point which it reached in the period of inflation during and following the Civil War. Furthermore, a system of fees which yielded the recipient a moderate income at the time they were fixed has frequently resulted, with growth of population, in pay out of proportion to services rendered, and has become a corruption fund which candidates are compelled to hand over to party managers as a price for office. That the cases are numerous in which a reduction of salaries and fees would not lessen the efficiency with which the public is served admits of but little doubt. Legislation having this in view, however, usually encounters the combined opposition of the office-holding class in both parties — an opposition that is generally successful.

² Chas. E. Thorne, *Science*, vol. xix, 1892, p. 49.

to that of forty to fifty years ago. In contrasting the two, J. R. Dodge says :

The farmer of those days dressed in homespun, or in the coarse and dear fabrics of the few rough looms so recently started in the new factories. His furniture was generally of the plainest, meagre in variety, the clumsy workmanship of the local cabinet maker, or the result of his own unskilled labor. . . . The clothing now used by the farmer's wife and children could not then have been obtained at any cost. Present social and educational facilities required by farmers, the furnishing and adornment of their homes, the equipment in horses and carriages and other comforts of life, such as are now common to the best class of farmers, were scarcely dreamed of in 1840. . . . Throughout the Ohio Valley, the farms . . . are now . . . improved with commodious and substantial buildings, furnished with convenient and often elegant furniture, carpets, sewing machines, libraries and musical instruments. There are indeed poorer establishments, occupied by younger or less enterprising farmers, but improvement has been general if not universal.¹

Again, "farm machinery now gives the farmer an amount of leisure unknown in the old days of hand labor,"² relieves his mind of much of the anxiety and turmoil of securing hired help, and lightens his work by abolishing many of its more laborious processes.

6. *The farmer in contrast with his fellows.* — Let us now compare the farmer's well-being with that of his fellows in other walks of life. In addition to the economic and social forces favoring the accumulation of urban rather than rural wealth that were considered in Part II of this essay, certain further disadvantages of the farmer deserve attention.

First, the discriminations practiced by railway corporations between persons, places and commodities have more seriously injured the farmer than any other class. Competition between carriers at trade centers has frequently depressed rates ruinously low. At intermediate points, however, the railway is thoroughly monopolistic in character. Railway patrons at such places, having no alternative, have frequently been compelled

¹ *The American Agriculturist*, vol. li, 1892, pp. 3, 4.

² E. V. Smalley, *The Forum*, vol. xvii, 1894, p. 248.

to pay monopoly charges for the service. Consequently, the chiefly agricultural regions have always been singled out by railway managers for recouping the losses sustained by perilous competition at large centers. Delivering his grain for the most part, not at the great trade centers, but at the smaller way stations, the farmer has been made to feel the oppressive power of railway favoritism. Scattered over the broad area of the United States, railway discrimination has in many instances not only lessened the price of what he sells, but has increased the cost of what he buys. Moreover, the farmer's investment being largely in an immovable species of property (land), he has not been able to transfer the field of his operations to the great cities, as producers in many other industries have done in order to profit by lower railway rates.¹

Again, the farmer is at a disadvantage in the fact that "he deals altogether with a raw material."² In explanation of this statement, President James H. Canfield writes:

It seems to me that as civilization advances, and as invention and ingenuity carry the final product, in a certain sense, further from the initial point at which the work of transmutation is taken up, the greater part of the returns will go to reward the ingenuity and intelligence of the latter processes; and a much less proportionate part will be returned to the one who practically handles the raw material. I cannot believe that the man who mines iron and coal will ever be as well paid as the man who makes watch springs. Perhaps a better illustration would be that the men who construct the different portions of a fine carriage and assemble these into one finished product will always be better paid than the men who cut the timber and hauled it to mill.³

The farmer is at a further disadvantage in that the products of his labor are especially subject to instability of price. This is due to the fact that he is largely engaged in the production

¹ Prof. H. C. Adams, *The Century*, vol. xxi, 1891-92, p. 780.

² Pres. James H. Canfield, *The Forum*, vol. xviii, 1894-95, p. 456.

³ Personal letter, June 19, 1896. Here lies one of the difficulties with which agricultural colleges have had to contend: "For a given amount of time spent in study, and of pecuniary sacrifice made for the sake of the study, more money can usually be gained in the years immediately succeeding graduation by the students of other branches than agriculture." — *The Nation*, vol. xxx, 1880, p. 133.

of commodities which have in general no utility save in satisfying the demand for food; and for such products the demand is relatively inelastic. Hence a sudden increase or decrease in the supply of farm products causes a relatively great fluctuation in price.

As an offset to the disadvantages under which the farmer labors as compared with those who are engaged in urban industries, there are certain particulars in which his condition is better than theirs. In the first place, he has more generally succeeded in securing for himself a home and a small capital than the men of other industrial classes. Of farm proprietors under twenty-five years of age, thirty-two per cent are owners, and the percentage increases with age up to eighty-three per cent for owners of sixty years of age and over. Of home proprietors less than twenty-five years of age, only thirteen per cent own their homes, and the percentage increases without interruption to fifty-seven per cent for owners of sixty years of age and over. Of all farm families sixty-five per cent own their homes, while but thirty-six per cent of the homes in towns and cities are owned by the occupants.¹ It is true that the opportunities to acquire a vast fortune are greater in the cities than in the country, but it should not be overlooked that these opportunities are relatively few, and that rural wealth is not marked by that inequality of distribution so characteristic of urban wealth. Notwithstanding the more rapid increase of the latter, it is probable that on an average the farmer of the United States ends his days in a better financial condition than he would have attained had he begun his industrial career in the city rather than in the country.

Home ownership, however, is not always a trustworthy criterion of the relative well-being of classes. There is in the cities a considerable class who do not generally own their homes, but who are far above the farmers in material prosperity. It is not, however, with this class that the farmers are naturally compared, but with that great majority who work for wages or for small salaries. Here again the test of home

¹ Eleventh Census, volume on Farms and Homes, p. 227.

ownership is illusory, for, owing to the uncertainty of tenure in employment among the wage-earning class, the inducement to home ownership is far weaker than among farmers. But in this very fact appears the more desirable position of the latter ; since they have — what the wages class lacks — a controlling voice in determining the conditions under which they labor.¹

Again, the farmer is less disastrously affected than others by panics and commercial depressions. Three reasons may be assigned in explanation of this. In the first place, the products of the farm are largely articles of absolute necessity. However much the masses of the people, in times of economic pressure, may dispense with the comforts of life, the demand for food remains relatively constant. Consequently, during times of economic disturbance, the prices which farm products command are less unfavorably affected than those of many other classes of commodities.² In the second place, in the words of a high authority,

farmers deal on a cash basis to a larger extent than most producers. The main trouble in panic times is that those who have relied largely upon credit find their credit withdrawn or largely curtailed. Naturally such a state of things does not affect so seriously the class that, more than any other, is accustomed to pay and receive cash.³

Finally, the farmer sells less of what he produces and buys less of what he consumes than many other classes in industrial society. No part of the services of the laborer, for example, is capable of ministering to his material well-being till sold, and the commodities that are adapted to his wants are bought in

¹ The farmer, it is true, is to some extent a capitalist — to some extent, also, by coördinating capital and labor, he acts as entrepreneur. But the farmer is by distinction a laboring man. In a large number of cases he employs little or no help, but does all or nearly all the work with his own hands. Moreover, the successful employer of labor on the farm generally eats at the same table and works alongside of his hired help. There is not in rural economy that sharp differentiation into capitalists, employers and workers which is so prominent a feature of the modern industrial system. While, therefore, the farmer differs from the industrial employee by being to some extent a capitalist and an entrepreneur, he is pre-eminently a laboring man who employs himself.

² Walker, Money, Trade and Industry, pp. 126-133.

³ Personal letter from the *New York Journal of Commerce*, November 4, 1895.

exchange. The farmer is also less under the necessity of realizing immediately on his labor than is the worker in cities. The efforts of the former crystallize to a large extent into non-perishable products, while the services of the latter must be sold day by day or be lost forever. The well-being of the farmer is thus not so dependent upon general economic conditions, and he therefore feels less keenly the disturbance which a panic or commercial depression creates in industrial society.

The economic basis for the existing discontent among the agricultural classes may now be summarized as follows :

1. Cheapened transportation has deprived a number of states of their natural advantage of location, and has forced them into competition with the constantly increasing volume of food products not only of the great West, but of remoter sections of the world, thereby seriously diminishing the income-yielding power and value of their farm lands. Complementary to this are the unremunerative prices received by those farmers whom distance from the consumer places beyond the margin of profitable cultivation — that is, by those located so far from the seat of consumption as not to have sufficient compensation for their toil after the cost of transporting their products to market has been met. Consequently, as occasionally happens in the case of California fruits, crops are sometimes a source of loss to the grower, partly because of their distance from market, as well as because of their unusual size or perishable nature.

2. The industry of the farmer, especially in some of the western states, has in many cases been overcome by crop disasters, and those ambitious to acquire homes have been defeated by unfavorable weather.

3. The sharp and unexpected fall in prices of many farm staples since 1891, which it has been impossible to meet by lowering the cost of production, have inflicted serious losses upon the producer.

4. These conditions have made more difficult the payment of interest charges and mortgage debts, have increased the relative number of mortgage foreclosures, have prolonged the

period required for tenants to rise to land ownership, have caused the expense for hired labor to be a greater drain upon the resources of the farm, have made the inequitable burden imposed upon the farmer by the general property tax more difficult to carry, have increased the strain of maintaining a higher standard of living and have rendered less endurable the tyranny of railway discriminations and the exactions of trusts. Furthermore, since the great mass of farmers, after starting in life with no other resources than an abundance of energy and a willingness to work, have attained only very modest incomes, any losses to which they have been subjected have been more keenly felt than if they had been possessed of more abundant means.

Our study has thus far been occupied with the economic basis of the farmer's discontent. A satisfactory result, however, requires an appreciation of the far more subtle influences that produce the general condition of restlessness in nineteenth century society. On final analysis much of the social unrest of the age springs from a longing in the human breast for development, from dissatisfaction with any condition or station in life, however comfortable or luxurious, that offers no chance to rise, no opportunity to progress. "Man is by nature a discontented animal. Satisfy one of his desires and forthwith he feels the sting of another."¹ In short, the ideal of a progressive society, which so thoroughly possesses the Western mind, is in no small degree responsible for social discontent. This ideal has been strengthened by the enormous strides society has taken, within the memory of men now living, through the modern development of transportation and communication.

The civilizations of the Orient, which rest satisfied with the institutions handed down by tradition, whose ideal is that of a static social condition equally good for all time, do not have social agitations.² The difference between the static civilizations of the Orient and the dynamic society of the Occident is,

¹ Alfred H. Peters, *Public Opinion*, vol. xvi, 1894, p. 480.

² Gunton, *Social Economics*, part i, chs. iii, iv, *passim*.

it is true, the difference between social contentment and social unrest; but in the former the masses are content with a degraded state of equality, while in the latter unrest is the mainspring of their progress. Professor Gunton has said:

If the English in India could make the Hindoo laborer want more things, they could soon civilize him up to their own standard. If the Russian peasants were not content with so little, the development of Russia might run on at equal speed with that of the United States. If our Indians could only be made to want houses and steam machinery and good clothes enough to work for them, the Indian problem would solve itself in a single decade.¹

The contented state of the Oriental mind is what renders any amelioration of Eastern civilizations such a hopeless task.

The Hindoo having, as he generally has, sufficient for the day, is happy, content to sleep, and is hardly to be urged to greater work by the offer of greater earnings. "I have enough; why should I work for more?" is not an unusual answer, and the offer of a higher place is often refused lest it should involve more effort.²

If progress is better than stagnation, so is Western unrest better than Eastern contentment.

The idea of a progressive society is reënforced by other forces productive of discontent. Among these is the belief in the unequal distribution of wealth. It is said that 4047 millionaires of the United States own twenty per cent of the wealth; that nine per cent of the families, including the millionaires, own seventy-one per cent; and that "as little as five per cent of the nation's wealth is owned by fifty-two per cent of the families."³ Few contemplate with entire satisfaction such statements as these, and, whatever may be their import, they create a feeling of uneasiness among the masses of the people. The spirit of modern times is prone to inquire whether society has a sufficient guarantee that the concentrated ownership of the nation's wealth will be used in such

¹ Social Economics, p. 440.

² *Fortnightly Review*, vol. ix, Old Series, 1893, p. 209.

³ G. K. Holmes, *POLITICAL SCIENCE QUARTERLY*, vol. viii, 1893, p. 593.

a way as to minister to the well-being of the people; and the frequency with which the interests of the public are disregarded by trusts and corporations keeps alive the fires of the social discontent.

This attitude of mind is doubtless somewhat tinged with the "complaint that every man who is compelled to walk has against the man who rides, . . . the complaint of him who has nothing against him who has something and of him who has something against him who has more."¹ Moreover, "it is no difficult thing to make the world believe it has been misused;"² and there is consequently a great deal of unrest inspired by a feeling of social injustice that either has no foundation or rests upon a misinterpretation of events. The willful distortion of facts and the diffusion of misinformation among the people by newspapers intent only on partisan ends, and by politicians who value their reputations for veracity less than they do their loyalty to party and their claims to office, are in large part responsible for this. But propositions which rest upon falsehood are none the less potent in arousing the indignation of those who believe them than are those which rest upon truth.

The spirit of democracy also lies at the basis of much of the unrest of our age. By democracy is here meant "the natural wish of a people to have a hand, if need be a controlling hand, in the management of their own affairs";³ an attitude of the public mind which makes "itself generally disagreeable by asking the Powers that Be at the most inconvenient moment whether they are the powers that ought to be."⁴ "Formerly the immense majority of men — our brothers — knew only their sufferings, their wants and their desires. They are beginning now to know their opportunity and their power."⁵ A people looking upon itself as the source of authority, conscious of its power and confident in its own wisdom, is a fertile soil for the seed of social uneasiness to grow in. Such a spirit is especially characteristic of the United States, where territorial

¹ Judge P. S. Grosscup, *Chicago Tribune*, October 31, 1896.

² *Ibid.*

³ James Russell Lowell, *Democracy and Other Addresses*, p. 16.

⁴ *Ibid.*, p. 20.

⁵ *Ibid.*, p. 13.

expansion and marvelous social and material development have favored the feeling of national self-sufficiency. "Men are even more eager than in Europe to hasten to the ends they desire, even more impatient of the delays which a reliance on natural forces involves, even more sensitive to the wretchedness of their fellows and to the mischiefs which vice and ignorance breed."¹

A fundamental change in the attitude of men's minds towards life is another primary fact in the restlessness of modern times. For centuries a spirit of *other-worldliness* gave character to all mental activity, and controlled the conduct of society.

Humanity . . . passed . . . intent on the terrors of sin, death and judgment, along the highways of the world, and scarcely knew that they were sightworthy, or that life is a blessing. Beauty is a snare, pleasure a sin, the world a fleeting show, man fallen and lost, death the only certainty, . . . abstinence and mortification the only safe rules of life.²

To men living in the gloomy presence of such thoughts, the conditions of life here were of little importance. "For the poor there was no physician ; for the dying, the monk and his crucifix. The aim was to smooth the sufferer's passage to the next world, not to save him for this."³ In marked contrast is the attitude of the thinker of to-day. How to render existence in this world more tolerable, how to realize an ideal social state, is the aim of the modern reformer. "The general appearance of comfort and well-being almost everywhere . . . indicates a disposition to live for the present rather than to sacrifice the present to the future."⁴ The masses are seized with a passion for the enjoyment of the material comforts of life, and it no longer suffices simply to commend to them the virtues of patience and forbearance. This revolution in the thinking and conduct of men has undoubtedly contributed greatly to the disquietude of the age.

¹ Bryce, *The American Commonwealth* (ed. of 1888), vol. ii, p. 409.

² Pearson, *The Renaissance in Italy*, pp. 5, 6.

³ Draper, *The Intellectual Development of Europe*, vol. ii, p. 231.

⁴ G. K. Holmes, *POLITICAL SCIENCE QUARTERLY*, vol. viii, 1893, p. 598.

Hand in hand with the growth of democracy and a spirit of *this-worldliness*, the rationalistic tendencies of mankind have become stronger. The spirit of inquiry is being scrupulously applied to every phase of life. "Truth for authority and not authority for truth," is the spirit of the age. The tendency is to discard that which will not stand the test of reason, and with the growing intelligence of man this tendency has become more and more marked. Obviously, a society permeated with this spirit is destined to be in a continual state of ferment.

Nor should the important rôle played by modern means of communication be overlooked. Never before were all the various facilities for interchange of thought so efficient and abundant. But for this fact the democratic and rationalistic spirits and all the factors productive of discontent would be largely stripped of their power. No one who has an idea to express need lack a vehicle in which to convey it to the world. Every phase and condition of life is reflected daily in the press. Much of modern discontent is due to a desire for improvement, and without a knowledge of present conditions this desire can have no intelligent basis. The explanation of much of the unrest of the age, therefore, is not that social conditions are inferior to what they formerly were, but that the public, through the medium of the telephone, the telegraph and the printing press, is made acquainted with the terms of existence which everywhere obtain.

As to American life in particular, the unrest so characteristic of it is in part due to the very wholesomeness of social and economic conditions. Probably in no other country is society in so much of a flux, or the mobility of the individual units so marked. There is a constant movement going on from below upward and from above downward. Each man, no matter into how humble a condition born, has a chance, and knows he has a chance, of rising; and where he will be found later on in life cannot be predicted from the status of his birth. These conditions, however, give rise to hopes, involve the possibility of disappointment and, therefore, contain within themselves the germs of discontent.

Moreover, the energies of the nation have been absorbed for more than a generation in industrial expansion. Material development has been so sudden, the industrial activities and relationships of men have so greatly enlarged, that problems of an economic character have arisen more rapidly than they have been solved. The process of redefining the rights of individuals in their new relationships, of adjusting the legal framework of society to corporations, trusts and all the complex phenomena of modern life, is necessarily slow. Meanwhile, the issues which in times past occupied the public mind have disappeared. Political and religious freedom have been largely attained. The question of slavery was settled a generation ago by an appeal to arms. Men's minds are left free to deal with problems of social and economic import. At the same time the rapid increase of population and a rising standard of living intensify the competitive struggle of life; and whatever influence the public domain may have exercised in lessening the intensity of this struggle is now largely a matter of the past.

The farmer's discontent is in part a manifestation of these general conditions so prevalent in the nineteenth century in all Western civilizations. The wants of the rural population, in common with those of nearly all classes of society, have developed more rapidly than the means of satisfying them. The social requirements and customs of the times demand a larger outlay for dress, amusement, jewelry, travel, education and even funeral expenses.¹ Owing to the great variety which such classes of wants assume when they are once indulged, the higher standard of living in agricultural communities, far from contributing to contentment of mind, has probably had just the opposite effect.² And the more luxurious style of life found in cities, especially the ostentatious display of those who have risen suddenly to wealth, makes the farmer feel that he is getting less than his share of the good things of life. As Professor Giddings says :

¹ Clarence Deming, *Yale Review*, vol. i, 1892-93, p. 297.

² *The Nation*, vol. xlvi, 1888, p. 502.

The isolated farmer and his family have begun to be affected by the strain of modern life in a deplorable way. They are no longer ignorant of the luxuries of the towns and a simple manner of life no longer satisfies them. The house must be remodeled and refurnished; the table must be varied; clothing must be in style; and the horses, carriages and harnesses must be costly. The impossibility of maintaining this scale of expense under existing agricultural conditions embitters life, and finally, in many cases, destroys the mental balance.¹

In addition to economic grievances and the disturbing influence of general social development, the nature of the farmer's occupation is such as to contribute to a discontented frame of mind. However much intelligence or skill he may bring to his work, results after all depend largely upon nature. Not infrequently, when every possible precaution has been taken, his hopes are suddenly blasted by an unpropitious change in the weather. It is true that the adverse influence of unfavorable weather is likely to be exaggerated at the time, but it is none the less depressing in its psychological effect. The excessive rainfall or the unwelcome drought of summer, the cutting winds of a rigorous winter, the late frosts of spring or the early frosts of autumn — these are the product of natural forces with which the farmer is largely powerless to cope. In the presence of such phenomena, the most hopeful minds are apt to become depressed and to give expression to feelings of discontent.

In conclusion it is necessary to notice certain facts that have contributed to the special development of discontent among American farmers in recent years :

1. The period during and immediately following the Civil War was one of very great prosperity to the farmer. In the fifty-six years since 1840, there has been no other time when the farmer so easily paid his debts, when his labors relative to those in other occupations were so liberally rewarded. Though this prosperity was too great to last, the memory of it still abides; and there are those in most farm communities who measure the

¹ Principles of Sociology, p. 349.

condition of the agriculturist at present by that of what may be termed the golden age of American agriculture. Without doubt the recollections of that halcyon period contribute to the dissatisfied frame of mind of the American farmer at the present time.

That prosperity was due in large part to the withdrawal of productive energy from agricultural pursuits by the necessities of war, and to the waste and destruction of food supplies occasioned by military operations. In part, also, it was due to successive inflations of the currency, which gave the farmer an artificial leverage in the payment of mortgage debt, and imparted an upward movement to the value of farm lands: the temporary advantage thus secured has much to do with the groundless belief at the present time in the potency of an irredeemable currency to ensure permanent agricultural prosperity. It is true, of course, that, as a consumer of commodities produced by others, the farmer reaped no ultimate advantage from the large prices which the war and a depreciated currency enabled him to get for his produce. But many fail to make allowance for this; and thus the disparity between present prices and those that formerly prevailed is rendered greater, and dissatisfaction is still further intensified.

2. During the thirty years from 1860 to 1890 occurred the construction of the greater part of the vast systems of railway throughout the West, the opening up of new lands for settlement and a tremendous movement of migration to the Western states. Since 1860, 2,520,564 farms have been created, and 217,006,091 acres thereby brought under cultivation.¹ The throng of settlers who participated in this wholesale process of making homes possessed on the average at the beginning a meagre allowance of capital, but they represented the very flower of the nation in enthusiasm, hopefulness and energy.

It is the most enterprising and unsettled Americans that come West; and when they have left their old homes, broken their old ties, resigned the comforts and pleasures of their former homes, they are

¹ Tenth Census, Statistics of Agriculture, p. 25, in connection with Eleventh Census, volume on agriculture, pp. 1, 3.

resolved to obtain the wealth and success for which they have come. They throw themselves into work with a feverish yet sustained intensity. They rise early, they work all day, they have few pleasures, few opportunities for relaxation. . . . All the passionate eagerness, all the strenuous effort of the Westerns is directed towards the material development of the country. To open the greatest number of mines and extract the greatest quantity of ore, to scatter cattle over a thousand hills, to turn the flower-spangled prairies of the Northwest into wheat fields, to cover the sunny slopes of the Southwest with vines and olives, — this is the end and aim of their lives, this is their daily and nightly thought. The passion is so absorbing, and so covers the horizon of public as well as private life, that it almost ceases to be selfish — it takes from its very vastness a tinge of ideality.¹

It is difficult to imagine conditions more favorable to disappointment and discontent than those which inhere in such a social population as has just been described.

In the pursuit of wealth some, by reason of extraordinary diligence, extraordinary shrewdness or good fortune have been more successful than others. With the unsuccessful, even though they have done more than fairly well, the sense of not being as far along in the race as those with whom they made the start is irritating.²

Those who are "outstripped by others in the race for ownership are apt to overlook their own advance from the conditions of the past."³ The farmers of the Western states, feeling that there ought to be a great deal in life for them, have not always withheld their complaints till they were deprived of the necessities of life. Breathing an atmosphere of free speech from childhood, they have become accustomed quickly to give utterance to their feelings, and to express their disappointment when the horn of plenty has ceased to overflow.

3. The growing lack of social opportunity in farm communities has been another cause fruitful of rural discontent during the past thirty-six years.

¹ Bryce, *The American Commonwealth*, edition of 1888, vol. ii, pp. 681, 684.

² Pres. James H. Canfield, *The Forum*, vol. xviii, 1894-95, p. 460.

³ Judge P. S. Grosscup, Commencement Address at Wittenberg College, Springfield, Ohio. — Chicago *Inter-Ocean*, June 5, 1896.

Education, religion, art, science and literature are all dependent on a certain density of population. Schools, universities, churches, the daily newspaper, great publishing houses, libraries and museums come only when the population per square mile is expressed by more than one unit.¹

During the last decade, rural population declined upon 16.25 per cent of the total area of the United States, upon 21.1 per cent of the total area of the North Central states, and upon 58.96 per cent of the total area of the North Atlantic states. During the same period, 43.26 per cent of the total area of Iowa lost in rural population; 47.39 per cent in Indiana; 61.39 per cent in Ohio; 65.73 per cent in Illinois; and 82.66 per cent in New York.² This decline in rural population, by lessening the social, educational and religious advantages of country life, has undoubtedly aggravated the feeling of agricultural discontent.³ That the social life in many of the older farm communities is inferior to what it formerly was is a fact which few will deny. "The gathering together of all the neighbors for haymaking and houseraising, the apple-paring parties and the corn-husking bees are all experiences of the past."⁴ The social opportunities of city life also have become increasingly attractive with the multiplication of centers of population, both in size and number; and, as a consequence, country life has become relatively still less desirable.

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¹ Giddings, *Principles of Sociology*, p. 367.

² Eleventh Census, volume on Population, part i, p. lxx.

³ The fact that the trolley car is at the present time rendering country life less uninviting is of sufficient importance to deserve mention. "Much of the old isolation of farm life disappears when the farmhouse is within sight of an electric line. The young people find a new diversion in trolley rides. The farmers and their wives and children can go into the nearest towns to church, to amusements and to social gatherings with expedition and comfort." — E. V. Smalley, *Chicago Times-Herald*, July 23, 1896.

⁴ Jane Addams, *American Journal of Sociology*, March, 1896, p. 549.

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